



FORM N-15
Instructions for preparing
STATE OF HAWAII —
DEPARTMENT OF TAXATION
Nonresident Income Tax Return
for 1994

DUE DATE: APRIL 20, 1995

and instructions for
Schedules A, B,
C, D, and E

(HAWAII TAX
TABLE —
PAGES 27-38)

MESSAGE FROM THE DIRECTOR

We realize that the tax law does change from year to year and is complex. To make tax filing easier for you, Hawaii has adopted many of the federal income tax provisions.

The Department of Taxation appreciates the efforts you made last year in filing an accurate tax return. This resulted in the faster processing of your returns and a prompt refund. We congratulate you.

For another successful tax season, the following are suggested to assist you in filing your return and receiving an early refund:

- Please check your mathematical calculations before sending your income tax return to the Department of Taxation. Mistakes may bring requests for clarification and may slow up refunds.
- Mail your return as soon as possible to avoid those delays that are inevitable due to the volume of business at the end of the State income tax season on April 20th.
- Use the preprinted name and address label and preaddressed envelope, if you receive them. Both help to prevent mistakes and to assist in processing refunds faster.

The Department of Taxation continues to be committed to improve and to provide quality service to you, our customers. We thank you for the suggestions you have given us in the past, many of which have been helpful and have been used. If you have more suggestions, please send them to me in writing at the Department of Taxation, P. O. Box 259, Honolulu, Hawaii 96809-0259.

RICHARD F. KAHLE, JR.
Director of Taxation

Changes for 1994

- The deduction for moving expenses incurred after December 31, 1993, is allowed as a deduction in computing adjusted gross income rather than as an itemized deduction. (Act 13)
- Charitable contributions of \$250 or more, made on or after January 1, 1994, must be substantiated by a written acknowledgement from the donee organization to be deductible. (Act 13)
- The low-income housing credit is permanently extended applicable to periods ending after June 30, 1992. (Act 13)
- The income exclusion of employer-provided education assistance is extended through December 31, 1994. Effective for tax years ending after June 30, 1992. (Act 13)
- Taxpayers may elect to include any amount of their net capital gain in their investment income when computing their allowable investment interest deduction. If the election is made, capital gains that are otherwise eligible for the capital gains tax rate must be reduced by the amount included as investment income. Effective for tax years beginning after December 31, 1992. (Act 13)
- The amount a taxpayer may elect to deduct, rather than depreciate, is increased from \$10,000 to \$17,500 of the cost of section 179 property placed in service during the taxable year. Applies for tax years beginning after December 31, 1992. (Act 13)
- The 25% deduction for health insurance costs of self-employed individuals, which was extended for tax years ending after June 30, 1992, is not available after December 31, 1993. (Act 13)

Important Reminders for 1994

- If you cannot file by April 20, 1995, you may request an extension to file Form N-15 on Hawaii Form N-101A. Federal forms or letters MAY NOT be used for this purpose.
- Line 35 on Form N-15 MUST be filled in. Failure to do so could cause delays in processing your return.
- Please be sure to check the appropriate filing status box.
- Please check all arithmetic on the return. A correct return will help us process your return efficiently and issue refunds quickly.
- If you are married and filing separate returns, the refund from your spouse's return cannot be applied to your liability.
- Include your spouse's social security number if you are married whether a joint or separate return is filed. Enter zeros (000-00-0000) if your spouse has no social security number. If your spouse is a nonresident alien, enter "NRA."
- Attach your employee earning statements (HW-2's or federal W-2's) to the front of your return.
- If someone prepares your tax return and charges you a fee, the preparer must sign and complete the Paid Preparer's Information box.
- Please mail on or before April 20, 1995.
- Please place proper postage on envelope before mailing.
- Keep a copy of your return for your records.
- If you would like a copy of the Hawaii Taxpayer's Bill of Rights, please contact any District Tax Office.

Note for 1994

- Act 13, SLH 1994, updated Hawaii's conformity to the Internal Revenue Code (IRC) to include amendments made to operative provisions of the IRC by the Revenue Reconciliation Act of 1993. A number of amendments serve to reactivate previously expired provisions or to allow certain deductions and income recognition provisions to be effective for tax years beginning prior to 1994. Some of the retroactive provisions include the low-income housing credit, the income exclusion of employer-provided education assistance, the deduction for health insurance costs of self-employed individuals, the election to include net capital gain in investment income when computing the allowable investment interest deduction, and the increase in the IRC section 179 deduction. Taxpayers who were affected by the changes should file amended income tax returns on Form N-188X to take advantage of the changes. For more information, consult your taxation district office.

STATE OF HAWAII — DEPARTMENT OF TAXATION

RELATED FEDERAL/HAWAII TAX FORMS

Federal Form Number	Title or Description of Federal Form	Comparable Hawaii Form	Copy of Fed. Form May Be Submitted+
W-2	Wage and Tax Statement	HW-2	Yes
W-4	Employee's Withholding Allowance Certificate	HW-4	No
W-10	Dependent Care Provider's Identification and Certification	HW-16	No
1040	U.S. Individual Income Tax Return	N-12	No
1040 Sch A	Itemized Deductions	Sch A&B	No
Sch B	Interest and Dividend Income	Sch A&B	No
Sch C	Profit or Loss from Business	Sch C	Yes*
Sch C-EZ	Net Profit From Business	None	Yes*
Sch D	Capital Gains and Losses	Sch D	No
Sch E	Supplemental Income and Loss	Sch E	Yes*
Sch F	Farm Income and Expenses	Sch F	Yes*
Sch R	Credit for the Elderly or the Disabled	None	No
1040A	U.S. Individual Income Tax Return (short form)	N-13	No
1040ES	Estimated Tax for Individuals	N-1	No
1040EZ	Income Tax Return for Single and Joint Filers With No Dependents	N-13EZ	No
1040NR	U.S. Nonresident Alien Income Tax Return	None	No
1040X	Amended U.S. Individual Income Tax Return	N-188X	No
1045	Application for Tentative Refund	N-109	No
1128	Application for Change in Accounting Period	N-128	Yes
1310	Statement of Person Claiming Refund Due a Deceased Taxpayer	N-110	No
2038	Questionnaire — Exemption Claimed for Dependent	None	No
2106	Employee Business Expenses	N-106	Yes
2106-EZ	Unreimbursed Employee Business Expenses	None	Yes
2119	Sale of Your Home	N-103	No
2120	Multiple Support Declaration	N-120	Yes
2210	Underpayment of Estimated Income Tax by Individuals and Fiduciaries	N-210	No
2441	Child and Dependent Care Expenses	N-141	No
2688	Application for Additional Extension of Time to File U.S. Individual Income Tax Return	N-101B	No
2848	Power of Attorney and Declaration of Representative	N-104	Yes
3903	Moving Expenses	N-139	No
4562	Depreciation and Amortization	N-164	Yes
4684	Casualties and Thefts	N-184	Yes
4797	Sales of Business Property	Sch D-1	No
4835	Farm Rental Income and Expenses	None	Yes
4852	Employee's Substitute Wage & Tax Statement	L-15	No
4868	Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	N-101A	No
4952	Investment Interest Expense Deduction	N-158	No
4970	Tax on Accumulated Distribution of Trusts	N-405	No
4972	Tax on Lump-Sum Distributions	N-152	No
5213	Election to Postpone Determination (Hobby Losses)	N-213	Yes
5329	Return for Additional Taxes Attributable to Qualified Retirement Plans (Includings IRA's), Annuities and Modified Endowment Contracts	None	No
5884	Jobs Credit	N-884	No
6198	At-Risk Limitations	None	Yes
6252	Installment Sale Income	N-171	Yes
6781	Gains and Losses From Section 1256 Contracts and Straddles	Sch D-3	Yes
8582	Passive Activity Loss Limitations	None	Yes
8586	Low-Income Housing Credit	N-586	No
8615	Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000	N-615	No
8814	Parent's Election to Report Child's Interest and Dividends	N-814	No
8824	Like-Kind Exchanges	None	Yes
8829	Expenses for Business Use of Your Home	None	Yes

+If "Yes" is indicated and there is no Hawaii equivalent form, the federal form must be used.

*A copy of the federal schedule may be substituted if your Hawaii General Excise ID Number is written on the schedule.

Form N-15

General Instructions

Who Must File

1. Every individual doing business in Hawaii during the taxable year, whether or not he or she derives any taxable income therefrom. "Doing business" includes all activities engaged in or caused to be engaged in with the object of gain or economic benefit, direct or indirect, except personal services performed as an employee under the direction and control of an employer. For this purpose every person receiving rents from property owned in Hawaii is classed as "doing business" and must file a return whether or not he or she derives taxable income therefrom.

2. Every individual receiving:

(1) \$2,540 (the combined amount of the personal exemption and the standard deduction for an individual) or more in gross income subject to taxation under chapter 235, HRS; or

(2) \$3,580 (the combined amount of the personal exemption and the standard deduction for an individual) or more if an individual attains the age of 65 before the close of the taxable year.

3. Every individual claiming the benefit of the provision as to persons taking up residence in Hawaii after attaining the age of 65 years and before July 1, 1976. The return should be accompanied by a signed statement setting forth the date that the individual established residence in Hawaii and the individual's date of birth.

4. Children receiving income during the taxable year who have not attained the age of 14 years before the end of the taxable year. The income of a minor child is not included in the gross income of the parent for income tax purposes, unless the parent files Form N-814, Parent's Election to Report Child's Interest and Dividends. The minor child's income shall be reflected in the return filed by or for such child.

Resident

A resident is taxed on income from all sources.

A resident must file an Individual Income Tax Return—Resident (Form N-12, N-13, or N-13EZ), if required to do so.

A Hawaii resident is an individual who is:

1. Domiciled for the entire year in Hawaii even though temporarily outside of Hawaii; or
2. Even though domiciled outside of Hawaii, an individual may be presumed to be a resident while maintaining a permanent place of abode within the State and spending a total of more than 200 days in the aggregate, during the taxable year within Hawaii. This presumption may be overcome by evidence satisfactory to the Department of Taxation that the individual maintained a permanent place of abode outside the State and is in the State for a temporary or transitory purpose. No person shall be deemed to have gained or lost a residence simply because of his or her presence or absence in compliance with military or naval orders of the United States, while engaged in aviation or navigation, while temporarily relocated by an employer, or while a student at any institution of learning. See Tax Information Release No. 90-3, "Income Taxation and Eligibility for Credits of an Individual Taxpayer Whose Status Changes from Resident to Nonresident or from Nonresident to Resident".

Nonresident

A Hawaii nonresident is an individual who is in Hawaii for a temporary or transient purpose, and whose permanent domicile is not Hawaii. This includes, but is not limited to, citizens of countries other

than the U.S. who do not have permanent resident alien visas (i.e. those who do not have their "green cards").

A nonresident must file an Individual Income Tax Return—Nonresident (Form N-15), if required to do so, and will be taxed on income from Hawaii sources only. A nonresident married to a Hawaii resident may choose to file a joint return with the resident spouse on Form N-12; **however, the nonresident will then be taxed on all income from all sources as a Hawaii resident.** For more information, see *Married Filing Joint Return* on page 6.

Part-Year Resident

A part-year resident is an individual who was a Hawaii resident for part of the year, and a nonresident of Hawaii during the other part of the year. This includes those who became Hawaii residents during the year and those who gave up being a Hawaii resident during the year.

A part-year resident must file an Individual Income Tax Return—Resident long form (Form N-12), if required to do so, and will be taxed on ALL income from all sources during the period of residency, and on income from Hawaii sources only during the period of nonresidency.

Domicile Defined

The term "domicile" means the place where an individual has a true, fixed, permanent home and principal establishment, and to which place the individual has, whenever absent, the intention of returning. It is the place in which an individual has voluntarily fixed the habitation of himself or herself and family, **not for a mere special or temporary purpose, but with the present intention of making a permanent home.** Three things are necessary to create a new domicile: first, an abandonment of the old domicile; second, the intention and establishing of a new domicile; and third, an actual physical presence in the new domicile. The mere intention to abandon a domicile once established is not of itself sufficient to create a new domicile, but before a person can be said to have changed his or her domicile, even though he or she manifests an intention to abandon the old domicile, a new domicile must be shown.

Reminder: If you are in Hawaii because of military orders and do not intend to make Hawaii your permanent home, you are not considered a Hawaii resident for income tax purposes, even though you have been in the State for more than 200 days in 1994.

Resident vs. Nonresident Examples

Note: For more information, see Tax Information Release No. 90-3, "Income Taxation and Eligibility for Credits of an Individual Taxpayer Whose Status Changes from Resident to Nonresident or from Nonresident to Resident" and Tax Information Release No. 90-10, "Clarification of Taxation and the Eligibility for Personal Exemptions and Credits of Residents and Nonresidents in the Military and Spouses and Dependents of Persons in the Military".

Example 1 - A person, who is a Hawaii resident and enlists in the military, will remain a Hawaii resident regardless of the length of absence from Hawaii while stationed at bases outside of Hawaii.

Example 2 - A Hawaii resident working in a foreign country will remain a Hawaii resident unless permanent resident status is granted by the foreign country.

Example 3 - Foreign students, researchers, and faculty members who are granted entry into the United States on "F", "H", or "J" visas are nonresidents for Hawaii tax purposes.

Example 4 - Spouses of those in the military service do not become Hawaii residents if their principal reason for moving to Hawaii was the transfer of the servicemember spouse to Hawaii, and if it is their intention to leave Hawaii when the servicemember

spouse either is transferred to another military station or leaves the service.

Example 5 - A Hawaii resident who marries a nonresident will remain a Hawaii resident unless the three requirements for changing his or her domicile are also met. (Refer to the definition "Domicile" above.) This situation applies in reverse to a nonresident who marries a resident. A person's status will not change merely due to the person's marriage.

Who Should File

Even if you do not have to file, you should file to get a refund if income tax was withheld from your pay. Also, a return may be required to support a claim for a credit or refund.

Which Form to File

Use Form N-12, N-13, or N-13EZ, Individual Income Tax Return—Resident if:

- You were a resident for the entire year.
- You were a part-year resident.
- You are claiming the benefit of persons who took up residence in Hawaii after attaining the age of 65 years and before July 1, 1976.
- You are a nonresident filing a joint return with your spouse who is a resident.

Refer to the Form N-12 and Form N-13/N-13EZ instruction booklets for further information.

Use Form N-15, Individual Income Tax Return—Nonresident if:

- You were a nonresident for the entire year.

When to File

You should file as soon as you can after January 1, but not later than April 20, 1995. If you file late, you may have to pay penalties and interest. Please see the instructions for **Penalties and Interest** on page 14. If you know that you cannot meet the April 20 deadline, you should ask for an extension on Form N-101A, Application for Automatic Extension of Time to File Hawaii Individual Income Tax Return. This is an extension of time to file, not an extension of time for payment of tax.

Note: Returns for the fiscal year which began in 1994 must be filed on or before the 20th day of the fourth month following the close of the fiscal year.

The official U.S. Post Office cancellation mark will be considered primary evidence of the date of filing of tax documents and payments. Timely filing of mail which does not bear a U.S. Post Office cancellation mark will be determined by reference to other competent evidence.

Where to File

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the taxation district office in which you reside or have your principal place of business, or if you have no residence in Hawaii, then with the Oahu District Office, P. O. Box 3559, Honolulu, Hawaii 96811-3559.

The State of Hawaii is divided into four taxation districts. Consequently, you must file your return, pay your tax, get your refund, get your forms, or conduct other Hawaii tax affairs with the taxation district office located in the county where you reside or have your principal business.

MAILING ADDRESSES

OAHU DISTRICT OFFICE
P.O. Box 3559
Honolulu, Hawaii 96811-3559

MAUI DISTRICT OFFICE
P.O. Box 913
Wailuku, Hawaii 96793-0913

HAWAII DISTRICT OFFICE
P.O. Box 1377
Hilo, Hawaii 96721-1377

KAUAI DISTRICT OFFICE
P.O. Box 1688
Lihue, Hawaii 96766-5688

DISTRICT OFFICE LOCATIONS

OAHU DISTRICT OFFICE
830 Punchbowl Street
Honolulu, Hawaii 96813-5045
Telephone:
For tax information:
(808) 587-6515 (Jan. - April 20)
(808) 587-4242
Toll-Free 1-800-222-3229
To request tax forms:
(808) 587-7572
Toll-Free 1-800-222-7572

MAUI DISTRICT OFFICE
State Office Building
54 High Street
Wailuku, Hawaii 96793-2126
Telephone: (808) 243-5383

HAWAII DISTRICT OFFICE
State Office Building
75 Aupuni Street
Hilo, Hawaii 96720-4253
Telephone: (808) 933-4321

KAUAI DISTRICT OFFICE
State Office Building
3060 Eiwa Street
Lihue, Hawaii 96766-1310
Telephone: (808) 241-3456

Other Information

Death of Taxpayer

Did the taxpayer die before filing a return for 1994? If so, the taxpayer's spouse or personal representative may have to file a return and sign it for the person who died (decedent) if the decedent was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

If the decedent did not have to file a return but either had State income tax withheld, made estimated tax payments, or is eligible for various tax credits, a return must be filed to get a refund.

If your spouse died in 1994 and you did not remarry in 1994, or if your spouse died in 1995 before filing a return for 1994, you may still file a joint return for the 1994 tax year.

A return filed for a deceased taxpayer, including a joint return with a surviving spouse, must have the word "**DECEASED**" written in the upper left hand corner of the return. The word "**DECEASED**" and the date of death also must be written after the deceased taxpayer's first name and middle initial in the name and address area of the tax return.

Generally, the personal representative must sign the return on behalf of the decedent. However, if a joint return is being filed by the decedent's spouse, the spouse should write "Filing as surviving spouse" on the line provided for the taxpayer's signature.

If a refund is due, you must complete Form N-110, Statement of Person Claiming Refund Due a Deceased Taxpayer, and attach it to the return to ensure that the refund check will be issued in the name

of the surviving spouse, personal representative, or other responsible individual instead of the decedent's name.

Declaration of Estimated Tax

Basic rules. - Individuals who must pay more tax than is withheld, or have no withholding, may have to file a declaration of estimated tax and pay that tax in a lump sum or installments. Income tax obligation may not be satisfied through withholding when an individual has income not subject to withholding, e.g., from business or profession, rent, gains from sales of property, interest and dividend income, unemployment compensation, or taxable pension distributions.

Who Must File a Declaration on Form N-1 - An individual must generally file Form N-1 if his or her gross income for the year either (1) could be reasonably expected to include wages subject to withholding in excess of \$9,000; or (2) could be reasonably expected to include more than \$100 from non-wage income and to exceed the sum of \$1,040 for each allowable personal exemption plus \$200.

Exceptions. - Notwithstanding (1) and (2) above, a declaration need not be filed if: (a) the gross income is not expected to exceed \$12,000 of which 90% shall consist of wages subject to withholding (the foregoing applies to single taxpayers as well as the combined income of married taxpayers who are entitled to file a joint return) or (b) the total estimated income tax payable is less than \$500 after deducting the total estimated credits allowed.

Date and Payment of Estimated Tax. - Your declaration for 1995 must be filed on or before April 20, 1995. It may be paid in full with the declaration, or in equal installments on or before April 20, 1995, June 20, 1995, September 20, 1995 and January 20, 1996. Each installment payment must be submitted with a payment voucher. Make checks or money orders payable to the "Hawaii State Tax Collector."

See Form N-1 for details.

Multistate Tax Compact Act

Any taxpayer, other than a corporation acting as a business entity in more than one state, who is required by the Hawaii Income Tax Law to file a return and whose only activities in the State consist of sales and who does not own or rent real estate or tangible personal property and whose annual gross sales in or into the State during the tax year are not in excess of \$100,000 may elect to report and pay a tax of .5 percent of such annual gross sales. Taxpayers who elect the foregoing shall file Form N-310 in lieu of Form N-15.

Composite Tax Returns and Payments

Composite tax returns and composite tax payment may be made on behalf of nonresident shareholders of an S corporation. Instructions for filing a composite Form N-15 for nonresident shareholders of an S corporation are included in the instruction for Form N-35.

Steps for Preparing Your Return

We have set up these instructions using 8 steps. You should complete the first 3 steps that follow **BEFORE** you begin to fill in your return.

Then, you may find it helpful to follow the Line-By-Line Instructions. They begin on this page and end on page 14.

Finally, steps 5 through 8 are on page 14. They are the steps you should take after your Form N-15 (and other schedules and forms you need) are filled in.

If you follow these steps and read the Line-By-Line Instructions, we feel you can fill in your return quickly and accurately. If you have any questions, call or visit your respective taxation district office.

Step 1

Get all of your income records together.

These include any Forms HW-2 and federal Forms W-2 or 1099s that you may have. If you don't get a Form HW-2 or federal Form W-2 by January 31, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form HW-2 or federal Form W-2, or correct it. If you cannot get a Form HW-2 or federal Form W-2, by February 15, please contact your taxation district office.

If you have someone prepare your return for you, make sure that person has all your income and expense records so he or she can fill in your return correctly. Remember, even if someone else prepares your return incorrectly — you are still responsible.

Step 2

If you plan to claim tax credits or itemize deductions, get all the information and expense records you will need.

Pages 13 through 18 of these instructions tell you what credits and deductions you can claim. Some of the records you may need are:

- Medical and dental payment records.
- Hawaii real estate tax receipts.
- Interest payment records on real property located in Hawaii.

Step 3

Get any forms, schedules, or information you need.

Nonresident tax form and instruction packages are not automatically mailed to you each year.

All forms and instructions you need may be picked up at any district tax office. You may also request that the forms be mailed to you. Please allow approximately 10 days for the mailing of the tax forms. See above for the location of your district tax office or phone number to request the needed forms.

Step 4

Fill in your return.

Line-By-Line instructions for filling in the Form N-15 begin on this page and end on page 14. Please read and follow the instructions carefully.

Step 5 begins on page 14.

Line-By-Line Instructions — Form N-15

Special Instructions for Nonresident Aliens

Special rules will apply to you if you are considered a nonresident alien or a dual-status alien under the IRC. For Hawaii income tax purposes, a nonresident alien is an individual who is not a U.S. citizen and who does not meet either the green card test or the substantial presence test under the IRC. A dual-status alien is a person who was a resident alien for part of the year and a nonresident alien for the other part of the year.

The special rules for nonresident and dual-status aliens will not apply if you elect to be taxed as a resident alien on your federal income tax return. You

can make this election if either of the following applies to you:

- You were a nonresident alien on the last day of the tax year, and your spouse was a U.S. citizen or resident alien on the last day of the tax year.
- You were a nonresident alien at the beginning of the tax year, but you were a resident alien on the last day of the tax year and your spouse was a U.S. citizen or resident alien on the last day of the tax year. (This also applies if both you and your spouse were nonresident aliens at the beginning of the tax year and both were resident aliens at the end of the tax year.)

See federal Publication 519, U.S. Tax Guide for Aliens, for complete definitions of "resident alien", "nonresident alien", and "dual-status alien".

Name, Address, Social Security Number, and Occupation Name

You must use your legal name. Nicknames are not permitted. If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration (SSA) so that the name on your tax return is the same as the name the SSA has on its records. This may prevent delays in issuing your refund.

If you file joint returns, write the names in the same order every year.

Write any descriptions (e.g. Jr., III, etc.) after your last name. If filing a joint return and if you and your spouse have different last names, list your last names in the same order as your first names and separate them with an "and". For example, John Keawe and Mary Aloha should write their last names as "Keawe and Aloha".

Address

Write your current mailing address in the space provided. If you receive your mail "in care of" someone else (i.e., your mail is sent to an address belonging to someone other than yourself), fill in that person's name on the line under your name.

Important: If your address should change after you file your return, you must notify the Department in writing of your new address. Any refund checks due to you will **not** be forwarded to your new address by the postal service.

Social Security Number

Write your social security number in the space provided. If you are married, you must also write your spouse's social security number in the space provided whether joint or separate returns are filed. Your social security numbers must be written in the same order as your names are written.

If your spouse is a nonresident alien and does not have a social security number, please write "NRA" in the block for your spouse's social security number.

Occupation

Write your occupation in the space provided. If married and filing a joint return, also write your spouse's occupation in the space provided.

Hawaii Election Campaign Fund

This fund was established by the Hawaii State Legislature to support public financing of Hawaii gubernatorial election campaigns.

You may have \$2 go to the fund by checking the "Yes" box. On a joint return, both of you may choose to have \$2 go to this fund, or both may choose not to. One may choose to have \$2 go to this fund and the other may choose not to.

If you check "Yes," it will not change the tax or refund shown on your return.

Residency Status

Question 1. If you filed a State of Hawaii individual income tax return for the 1993 tax year, check "yes" and enter the name of the taxation district (Oahu, Maui, Hawaii, or Kauai) with which it was filed. If you did not file a State of Hawaii individual income tax return for the 1993 tax year, check "no".

Question 2. By filing Form N-15, you indicate that you were not a permanent resident of the State of Hawaii at any time during 1994. In the space provided, write the name of the state or foreign country of which you were a permanent resident in 1994.

Filing Status

Check either box 1, 2, 3, 4, or 5 as appropriate. Do not put a check in more than 1 box.

Single

Select box 1, Single, if on December 31, 1994, you were unmarried, divorced, or separated from your spouse under a separate maintenance decree. State law governs whether you are married, divorced, or legally separated.

If you are married on December 31, 1994, consider yourself married for the whole year.

If your spouse died during 1994, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1994.

If you are unmarried and provide a home for certain other persons, you may be able to file as Head of Household.

If you were married in 1994, had a child living with you, and lived apart from your spouse during the last 6 months of 1994, you may be able to file as Head of Household. See *Married Persons Who Live Apart (and Abandoned Spouses)* below.

Married Filing Joint Return

In most cases, married couples will pay less tax if they file a joint return. You must report all Hawaii income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you doesn't pay, the other may have to.

Note: If you filed a joint return, and you and your spouse decide to file separate returns for the year, both of you must file amended returns on or before the due date of the original return.

If your spouse died in 1994 or in 1995 before filing a return for 1994, see page 5 of instructions, *Death of Taxpayer*.

Tax Savings.— If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described below under *Married Persons Who Live Apart (and Abandoned Spouses)*. If you can, you should check Box 4 for Head of Household.

Special Rule for Nonresidents of Hawaii Who File a Joint Return With a Hawaii Resident.— If at the end of the taxable year you were a nonresident of Hawaii (i.e. a U.S. resident who is not a resident of Hawaii) who is married to a resident of Hawaii, you may choose to file a joint return with the resident spouse on Form N-12. However, if a joint return is filed, you and your spouse must agree to be taxed on your combined worldwide income.

Special Rule for Nonresident and Dual-Status Aliens.— Generally, you cannot file a joint return if either spouse was a nonresident alien at any time during the tax year. However, nonresident aliens married to U.S. citizens or residents can elect to be taxed as a U.S. resident on their federal income tax return and file joint returns. If a joint return is filed, you and your spouse

must agree to be taxed on your combined worldwide income.

Note: For purposes of filing a joint return, common law marriages are not recognized under Hawaii law unless they began in a state which permits common law marriages.

Married Filing Separate Returns

You may file separate returns whether both you and your spouse had income, only one of you had income, or neither of you had income.

If you choose to file separate returns, both you and your spouse must figure your tax the same way. This means that if one of you itemizes your deductions, the other must also itemize their deductions. You each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

If you file a separate return, write your spouse's full name in the space after Box 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file a Hawaii tax return, you may be able to claim the exemptions for your spouse. See instructions for lines 6a and 6b on page 7.

Special Rule for Nonresident and Dual-Status Aliens.— Married nonresident aliens must file separate returns. However, nonresident aliens who are married to U.S. citizens or residents and who elect to be taxed as a U.S. resident may file joint returns. However, see *Married Persons Who Live Apart (and Abandoned Spouses)*, below.

Married Persons Who Live Apart (and Abandoned Spouses)

You will be considered unmarried if you meet **ALL** of the following tests:

- 1) You file a separate return, and
- 2) You paid more than half the cost of keeping up your home for the tax year, and
- 3) Your spouse did not live in your home during the last 6 months of the tax year, and
- 4) Your home was, for more than 6 months of the year, the principal home of your child, stepchild, adopted child, or foster child whom you can claim as a dependent or whom you could claim as your dependent except that the noncustodial parent will claim the child as a dependent under the rules discussed on page 7, for *Children of Divorced or Separated Parents*.

If you are considered unmarried under these rules, you will qualify to file as Head of Household.

Special Rule for Nonresident and Dual-Status Aliens.— If you were a nonresident or dual-status alien during the tax year, the special rules for *Married Persons Who Live Apart (and Abandoned Spouses)* will not apply to you unless you meet all of the tests above, and you are a resident of Canada or Mexico. If you are considered unmarried under these rules, you may file as a single individual rather than married filing separately. You cannot file as Head of Household.

Head of Household

There are special tax rates for a person who can meet the tests for Head of Household. These rates are lower than the rates for Single or Married Filing a Separate Return.

You may be eligible to file as Head of Household if you were unmarried, or considered unmarried, on the last day of the year. You must have paid more than half the cost of keeping up a home that was the principal home for more than half the year for you and:

- 1) Your unmarried child, grandchild, stepchild, or adopted child. This child does not have to be your dependent.
- 2) Your married child, grandchild, stepchild or adopted child whom you can claim as your de-

pendent without a Multiple Support Declaration or whom you could claim as your dependent except that the noncustodial parent will claim the child as a dependent under the rules, discussed on this page, for *Children of Divorced or Separated Parents*.

3) Any other relative, including your mother or father, whom you can claim as a dependent, without a Multiple Support Declaration. For persons who qualify as a relative, see *Relationship* on this page.

Also, you may be eligible to file as Head of Household if you were unmarried, or considered unmarried, on the last day of the year, and pay more than half the cost of keeping up a home that was the principal home for the whole year for your mother or father whom you can claim as a dependent without a Multiple Support Declaration, but who does not live with you.

Note: If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.

Special Rule for Nonresident and Dual-Status Aliens.— If you were a nonresident or dual-status alien during the tax year, you cannot file as Head of Household.

Qualifying Widow or Widower With a Dependent Child

If your spouse died during 1992 or 1993 and you did not remarry before the end of 1994, file a return for 1994 showing only your own income, exemptions, deductions, and credits. However, you can figure your tax at joint return rates if you meet **ALL 3** of the following tests:

- You could have filed a joint return with your spouse for the year your spouse died. (It does not matter whether or not you actually filed a joint return.)
- Your dependent child, stepchild, or foster child lived with you (except for temporary absences for vacation or school).
- You paid over half the cost of keeping up the home for this child for the whole year.

Check Box 5, Qualifying Widow(er) with Dependent Child, and show the year your spouse died in the space provided. Do not claim an exemption for your spouse. (You can claim the exemption only for the year your spouse died.)

If your spouse died in 1994 and you did not remarry, consider yourself married for the whole year. If your spouse died before 1992 and you did not remarry, you may check Box 4 if you met the tests under *Head of Household* on page 6. Otherwise you must file as Single.

Note: Also see page 5 of instructions, *Death of Taxpayer*.

Special Rule for Nonresident and Dual-Status Aliens.— The special rules for Qualifying Widow or Widower With a Dependent Child will not apply unless the surviving spouse meets all of the tests above, and was a resident alien or U.S. citizen the year their spouse died. The residency status refers to the surviving spouse's actual status, and not the election that some nonresident aliens make to be taxed as U.S. residents.

Exemptions Lines 6a and 6b Boxes

A nonresident (i.e. a U.S. resident who is not a resident of Hawaii, a nonresident alien or dual status alien) is entitled to the same personal exemptions as a resident, without proration of the personal exemptions on account of income from sources outside Hawaii.

Regular

You can take one exemption for yourself unless you can be claimed as a dependent on another person's tax return. Take two exemptions if you were married and filing a joint return. If you file married filing separately, you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent (for federal or Hawaii income purposes) of someone else.

If at the end of the taxable year, you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may take an exemption for your spouse if you file a joint return.

If your spouse died during the taxable year and you did not remarry before the end of the taxable year, check the boxes for the exemptions you could have taken for your spouse on the date of death.

Nonresident Alien Spouse. If you do not file a joint return, you may claim your spouse's exemption only if your spouse had no income from United States sources and is not the dependent of another taxpayer. When claiming your spouse's exemption, please write "NRA" after the word "Spouse" on line 6b.

Age 65 or Over

You can take the extra exemption for age 65 or over only for yourself and your spouse. You cannot take them for dependents.

Age is determined as of December 31. However, if your 65th birthday was on January 1, 1995, you can take the extra exemption for age in 1994.

If you file married filing separately, you may NOT claim the extra exemption for age 65 or over for your spouse.

Lines 6c and 6d

Children and Other Dependents

Enter on lines 6c and 6d the full names, social security numbers, if any, and other information for your dependent children and other dependents. Enter the number of your dependent children listed in the box for line 6c. Enter the number of other dependents listed in the box for line 6d.

Each person you claim as a dependent has to meet **ALL 5** of these tests:

- a. income;
- b. support;
- c. married dependent;
- d. citizenship or residence; and
- e. relationship.

These tests are explained below.

a. Income

The dependent received less than \$2,450 gross income. (This test does not have to be met for your child who was under age 19 at the end of the year, or a full-time student at least 5 months of the year and under 24 years of age at the end of the year. Please see instructions for *Student Dependent* on this page.)

Note: Gross income does not include nontaxable benefits such as social security or welfare benefits.

b. Support

The dependent received over half of his or her support from you, or is treated as receiving over half of his or her support from you, under the rules for *Children of Divorced or Separated Parents, or Dependent Supported by Two or More Taxpayers*, on this page and on page 8. If you file a joint return, the support can be from you or your spouse.

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, social security benefits, gifts, savings, welfare benefits, etc.). If your

child was a student, do not include amounts he or she received as scholarships.

Support includes items such as food, a place to live, clothes, medical and dental care, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses.

Capital Items - You must include capital items such as a car or furniture in figuring support, but only if they are actually given to, or bought by, the dependent for his or her use or benefit. Do not include the cost of a capital item such as furniture for the household or for use by persons other than the dependent.

c. Married Dependent

The dependent did not file a joint return with his or her spouse. However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of tax withheld, you may claim him or her if the other four tests are met.

d. Citizenship or Residence

The dependent was a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living with a U.S. citizen in a foreign country.

e. Relationship

The dependent met test 1 or 2 below:

1. Was related to you (or your spouse if you are filing a joint return) in one of the following ways:

Child	Grandchild	Mother-in-law	or, if related
Mother	Stepchild	Father-in-law	by blood:
Father	Stepbrother	Brother-in-law	Uncle
Brother	Stepsister	Sister-in-law	Nephew
Sister	Stepmother	Daughter-in-law	Aunt
Grandparent	Stepfather	Son-in-law	Niece

2. Was any other person who lived in your home as a member of your household for the whole year. **A person is not a member of your household** if at any time during your tax year the relationship between you and that person is against local law.

The word child includes:

- Your son, daughter, stepson, or stepdaughter.
- A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption.
- A foster child (any child who lived in your home as a member of your family for the whole year).

Student Dependent. Even if your child had income of \$2,450 or more, you can claim the child as a dependent if he or she can meet tests **b, c, and d** above: **AND**

- was under 24 years of age at the end of the year, and
- was enrolled as a full-time student at a school during any 5 months of 1994, or
- took a full-time on-farm training course during any 5 months of 1994. (The course had to be given by a school or a State, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

The word school includes:

- elementary, junior and senior high schools;
- colleges and universities; and
- technical, trade, and mechanical schools.

However, school does not include on-the-job training courses or correspondence schools.

Children of Divorced or Separated Parents. The parent having custody of a child for the greater portion of the year (the custodial parent) will generally be entitled to the dependency exemption. This rule applies to parents not living together during the last six

months of the calendar year and those divorced or separated under a separation agreement.

This general rule does not apply in the case of the following three exceptions:

- There is a multiple support agreement in effect, OR
- The custodial parent has agreed to release his or her claim to the dependency exemption to the noncustodial parent in a decree or agreement in effect before January 1985, and the noncustodial parent furnishes at least \$600 support for the child within the taxable year, OR
- The custodial parent relinquishes the exemption and provides the noncustodial parent with a written statement that the custodial parent will not claim the dependency exemption for the taxable year. This statement shall be attached to the return of the noncustodial parent who claims the exemption. Federal Form 8332 may be used for this purpose.

Support by the spouse of a remarried parent will be treated as support provided by that parent.

Dependent Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if the tests for income, married dependent, citizenship or residence, and relationship discussed earlier (tests a, c, d, and e) are met.

In addition, the taxpayer who claims the dependent must:

- have paid more than 10% of the dependent's support; and
- attach to his or her tax return a signed Form N-120, Multiple Support Declaration, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1994 for the person he or she helped to support.

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during the taxable year if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

Line 6e Box

Add the numbers you entered in the boxes 6a, 6b, 6c and 6d. Enter the total in the box on line 6e.

Lines 7 through 31

Form N-15 has two columns for lines 7 through 31; Total Income, Column A and Hawaii Income, Column B.

You must report in Column A, your total income (regardless of source) and adjustments to your total income as if you were a full year Hawaii resident.

Report in Column B, only income derived from Hawaii sources and the allowable adjustments to your Hawaii income.

The following is a general discussion of income from Hawaii sources, and allowable adjustments to Hawaii income.

Income

Nonresidents should report in Column B, gross income from property owned, personal services performed, trade or business carried on, and every other source in the State (Hawaii).

In determining whether income has its source in the State or outside the State, the following rules should be applied:

- The source of income from either real or tangible personal property, is the place where the property is "owned", which means the place where the property has its situs.
- Intangible property will be deemed to have its situs at the place of the owner's domicile, unless the property has acquired a business situs at another place, in which event, the place of the business situs is the place where the property is owned.
- Chattel real, such as a leasehold, has its situs where the real property is located.
- The source of income from carrying on a trade or business is the place where the trade or business is carried on. If the trade or business is carried on both within and without the State, the portion of the income attributable to the State should be determined as provided by section 235-5, HRS.
- Income from the performance of personal services has its source at the place where the services are performed.
- A gain or loss on the sale or other disposition of property has its source at the place where the property was owned, that is, where it had its situs, at the time of the sale or other disposition.

Examples of Includable and Excludable Income

The following examples will help you understand what kind of income must be reported as Gross Income in the Hawaii Gross Income Column B of your income tax return, and what items are exempt from tax.

Examples of Income You Must Report

The following kinds of income should be reported on Form N-15, Column B, and related forms and schedules.

- Wages, including salaries, bonuses, commissions, fees, and tips.
- U.S. Cost of Living Allowances.
- Living Quarter Allowances.
- Interest (Schedule B) on:
 - Hawaii tax refunds;
 - Interest received from an agreement of sale of real property located in Hawaii.
- Unemployment compensation benefits received from Hawaii.
- Temporary Disability Insurance Benefits received in Hawaii to the extent that such amounts:
 - are attributable to contributions by your employer which were not includible in your gross income, OR
 - are paid by your employer.
- Business expense reimbursements you received as an employee in Hawaii that are more than you spent for those expenses.
- Refunds of State and local taxes if you deducted the taxes in an earlier year and got a tax benefit. See details on page 9 of instructions.
- Gains or losses from the sale or exchange of Hawaii real estate, securities, or other property.
- Profits or losses from Hawaii businesses or professions.
- Your share of profits or losses from partnerships and small business corporations carried on in Hawaii.
- Your share of trust or estate income or losses from activities carried on in Hawaii.
- Rent from property located in Hawaii.
- Contest prizes with source in Hawaii.
- Certain alimony and separate maintenance payments. Refer to the instructions for *Alimony Paid* on page 11.
- Capital gains and losses from assets with situs in Hawaii.

Examples of Income You Do Not Report

- Pensions you receive upon retirement where no employee contributions are involved.
- All Government payments and benefits made to veterans and their families.
- Dividends on veterans' Government Insurance.
- Dividends from stocks. Generally, the source of income from an intangible asset (e.g. stock of a corporation) is the owner's place of permanent residence or domicile. This means that a nonresident owning intangible assets and receiving income therefrom, even though the dividend may have been paid by a Hawaii corporation, would not be subject to Hawaii income tax because the nonresident's permanent residence or domicile is not Hawaii. However, such income would be subject to Hawaii income tax if the intangible asset acquired a situs in Hawaii.
- Benefits paid by the Hawaii Retirement System or similar public (Federal, City County or other State) retirement system.
- Workmen's compensation, insurance, damages, etc., for bodily injury or sickness.
- Interest on Federal, Hawaii State and County municipal bonds. Also, U.S. Savings Bonds.
- Interest on bonds issued by the Governments of Puerto Rico, Virgin Islands and Guam.
- Life insurance proceeds upon death.
- Federal Social Security benefits.
- Railroad Retirement Act benefits.
- Gifts, inheritances, bequests.
- Compensation by Hawaii or the U.S. to a patient affected with Hansen's disease.
- Child support.
- Welfare benefits.
- Compensation for services as a member of the uniformed services of the U.S.
- Contributions to deferred compensation plans with respect to service for state and local governments or to an annuity purchased by qualified nonprofit organizations and public schools.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. For example: \$1.39 becomes \$1 and \$2.69 becomes \$3.

Line 7

Wages, Salaries, Tips, Etc.

Report as income any salaries, wages, or other compensation received by you, or available to you, for services rendered in Hawaii. You must report the full amount of your wages, salaries, fees, commissions, tips, bonuses, and other payments for your personal services even though taxes and other amounts have been withheld by your employer.

Include in this total:

- The amount shown on Form HW-2 in the box Wages, Tips, Other Compensation. If you received federal Form W-2, report the amount in box 17, State wages, tips, etc. If you did not receive a Form HW-2 or federal Form W-2, see page 5, Step 1 of instructions.
- Tips received that you did not report to your employer. You must report as income the amount of allocated tips shown on your federal W-2 form(s) unless you can prove a lesser amount with adequate records.
- Payment in merchandise, etc. — If your employer pays part or all of your wages in merchandise,

services, stock or other things of value, you must determine the fair market value of such items and include it in your wages.

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. (Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept as a condition of employment).
- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were meant as a gift.
- Amounts received under an employer-paid dependent care benefit plan from Form N-141, Part III. If you have received any benefits from such a plan for the taxable year, you must complete Parts I and III of Form N-141 and file it with your Form N-15. Include the taxable amount from line 20 of Form N-141 on Form N-15, line 7. On the dotted line next to line 7, write "DCB."

Note: Do not use Form N-141 to claim the dependent care credit since nonresidents are not eligible for this tax credit.

- Also include on this line, amounts received as Cost of Living Allowance, Living Quarter Allowance, and Temporary Disability Insurance received in Hawaii.

Note: You must report on line 7 all wages, etc., paid for your personal services, even if the income was signed over to a trust, (including an IRA), another person, a corporation, or tax exempt organization.

Line 8

Interest Income

First read the instructions for Schedule B on pages 18 and 19. Enter the appropriate amount of interest income on this line.

Caution: Not all interest income earned or received by a nonresident is subject to Hawaii income tax. Refer to **Examples of Income You Do Not Report** on page 8.

Line 9

Dividends

First read the instructions for Schedule B on page 19. Enter the appropriate amount of dividend income on this line.

Caution: As a nonresident, your dividend income may or may not be subject to Hawaii income tax. Refer to **Examples of Income You Do Not Report** on page 8.

Line 10

Taxable Refunds of State and Local Income Taxes

If you received a refund or credit in 1994 for Hawaii income taxes you paid before 1994, you may have to report it as income on your Hawaii income tax return. You should receive federal Form 1099-G, or similar statement, showing the refund.

Any part of a refund for Hawaii income taxes paid before 1994 that you were entitled to receive in 1994 but chose to apply to your 1994 estimated state income tax is considered to have been received in 1994.

Do not report your refund as income if the refund was for a year in which you did not itemize your Hawaii deductions.

If part of your refund was interest, report that amount on Form N-15, line 8.

Complete the worksheet below to figure the taxable part of your Hawaii income tax refund.

Note: See federal Publication 525 instead of using the worksheet below if you received a refund or recovery of an itemized deduction that was previously limited. If you received a refund or recovery of an itemized deduction that was previously limited, the refund or recovery is, in general, fully included in your gross income in the year you received it. However, you may be required to include only part of the refund or recovery in income. When referring to federal Publication 525, the following should be taken into consideration:

1. The Hawaii standard deduction amounts must be used.
2. For Hawaii income tax purposes, the base amount for the limitation of itemized deductions remains at \$100,000. This base amount is not adjusted for inflation annually as is done for federal income tax purposes.
3. The refund received in 1994 must be reduced by the Credit for child passenger restraint system(s) claimed on your 1993 income tax return.

Worksheet

1. Enter your Hawaii tax overpayment (line 44) from your 1993 return. _____
 2. Enter from your 1993 Form N-15, the Credit for child passenger restraint system(s) (line 43f) _____
 3. Line 1 minus line 2.
If zero or less, stop here;
otherwise continue on to
line 4 _____
 4. Enter amount from your
1993 Form N-15, line 33i _____
 5. Enter the amount shown below
for the filing status you claimed
on your 1993 Form N-15. _____
- | | |
|--|---------|
| Single— | \$1,500 |
| Married filing jointly
or qualifying widow(er)— | 1,900 |
| Married filing separately— | 950 |
| Head of household— | 1,650 |
6. Line 4 minus line 5.
Enter the result, but
not less than zero _____
 7. Compare the amounts on lines
3 and 6 above and enter the
SMALLER of the two amounts
here and on line 10, Form N-15.
This is the **taxable** part of
your refund _____

Line 11

Alimony Received

Alimony or separate maintenance payments that you received are taxable income to you. Report this income on line 11.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 27 for information on the rules that apply in determining whether these payments qualify as alimony.

Line 12

Business Income or (Loss)

Please see the instructions for Schedule C which begins on page 19. Enter your income or (loss) from Schedule C.

Lines 13a and 13b

Capital Gain or (Loss)

Please see the instructions for Schedule D which begins on page 21. Enter the gain or (loss) from Schedule D.

Line 14

Supplemental Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the instructions for Schedule D-1. Enter the gain or (loss) from Schedule D-1.

Line 15

IRA Distributions

IRA distributions are not taxable to nonresidents, however, if a nonresident later becomes a resident of Hawaii, the amount of IRA distributions received after acquiring the Hawaii residency status will be taxable.

Enter on this line, the taxable amount for federal purposes in Column A and zero in Column B.

Line 16

Pensions and Annuities

Use line 16 to report annuity income that is fully or partially taxable. Also use this line to report distributions from profit-sharing plans and employee-savings plans.

The following two types of distributions are not taxed by Hawaii and do not need to be reported on line 16:

(1) Pension or annuity distributions from a public (i.e. government) retirement system (e.g. federal civil service annuity, military pension, state or county retirement system, etc.), and

(2) Distributions from a private employer pension plan received upon retirement (including early retirement and disability retirement) if the employee did not contribute to the pension plan.

Distributions from a private employer pension plan received upon retirement are partially taxed by Hawaii if the employee contributed to the pension plan. The interest earned on the employee's contribution is taxable.

All other pension and annuity distributions are fully taxable except for the amount that represents a return of the individual's cost.

Enter in Column A, all taxable pensions and annuities, enter in Column B, the portion taxable to Hawaii.

To compute the taxable portion of your annuity or pension, use Schedule J (Form N-12/N-15/N-40).

If you have been reporting your pension or annuity payments under the 3-Year Rule, use Part II on Schedule J (Form N-12/N-15/N-40) to figure the taxable part of your pension or annuity.

Note: If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately. Enter the total of the taxable parts on Form N-15, line 16, Column B.

Caution: Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions.

Note: If you did not contribute to the cost of your annuity or you recovered your entire cost before January 1, 1994, report your annuity on Form N-15, line 16, Column B.

Lump-Sum Distributions

If you received a lump-sum distribution from a profit-sharing plan, report the ordinary income part on line 16, Column B of Form N-15 and, for those who have attained age 50 before January 1, 1986, enter the capital gain part on Schedule D (Form N-12/N-15).

Federal Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., shows the amount of the distribution. You may pay less tax on this distribution if you are eligible to use the special averaging methods. For more details, get Form N-152, Special 5-Year Averaging Method.

Line 17

Rents, Royalties, Partnerships, Estates or Trusts

Please see the instructions for Schedule E which begins on page 23. Enter the income or (loss) from Schedule E.

Line 18

Farm Income or (Loss)

Please see the separate instructions for Schedule F. Enter the income or (loss) from Schedule F.

Line 19

Unemployment Compensation

Unemployment compensation (insurance) you received from Hawaii is taxable.

You should receive federal Form 1099-G, or similar statement, showing the total unemployment compensation paid to you during the year. For payments in 1994 you should receive this statement by January 31, 1995.

Note: *Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation. Report these benefits on Form N-15, line 7.*

If you received any unemployment compensation during the taxable year, please enter the total from federal Form(s) 1099-G on line 19, Column A. In Column B, enter only the amount you received from Hawaii.

Line 20

Other Income

Use line 20 to report any income you can't find a place for on your return or other schedules. Also show the nature and source of the income.

Caution: *Do not report any income from self-employment on line 20. If you do have any income from self-employment, you must use Schedule C or Schedule F.*

Examples of income to be reported on line 20 are:

- Prizes, awards and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

If you had any gambling losses, you may take them as a miscellaneous itemized deduction not subject to the 2% AGI limitation on Schedule A. However, you cannot deduct more losses than the winnings you report.

- Individual Housing Account (IHA) distributions not used exclusively in connection with the purchase of the first principal residence in Hawaii for the individual for whose benefit the account was established must be included in the gross income of the individual for the taxable year in which the distribution is received.

One-tenth of the total distribution from the IHA used to purchase the residential property MUST be included as gross income in the taxable year in which the distribution is completed and in each

taxable year thereafter until all of the distribution has been included in the individual's gross income.

Upon the sale or other transfer of residential property purchased with a distribution from an IHA, an amount equal to such distribution that has NOT been included in prior years' gross income, must be included in the gross income of the individual for the taxable year in which the property is sold.

In addition, for both cases, the tax liability of the individual shall be increased by 10% of the total distribution from the IHA. See Form N-103, Sale of Your Home, for details on the computation of your additional tax liability.

If the individual sells the residential property after all of the distribution has been included in the individual's gross income at the end of the tenth taxable year after the purchase of the residential property, the tax liability of the individual shall not be increased by 10% of the total distribution from the IHA.

- Scholarships and Fellowships. If you received a scholarship or fellowship that was granted after August 16, 1986, part or all of it may be taxable even if you didn't receive a federal W-2 form. If you were a degree candidate, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts used for room, board, and travel are taxable. If you were not a degree candidate, the full amount of the scholarship or fellowship is taxable. Include the taxable amount on line 20.

Net operating loss.— If, in 1994, your business or profession lost money, or you had a casualty loss, or a loss from the sale or other disposition of depreciable property or real property used in your trade or business, you can apply the losses against your 1994 income. If the losses exceed your income, the excess is a "net operating loss" which generally may be used to offset your income for the 3 years prior to and the 15 years following this year. The loss may be carried back to the third prior year and any remaining balance brought forward to each succeeding year.

Generally, you can use a net operating loss to reduce your income for the 3 years before 1994 and the 15 years after, or you may elect to use it to reduce your income for the 15 following years without carrying the loss to the 3 prior years. If you carryback the loss and are due a refund from the carryback, you may use Form N-109, Application for Tentative Refund from Carryback of Net Operating Loss, to get a quick refund. But if you elect to carry the loss forward instead, you must attach a statement to this effect on a timely filed return (including extensions). If you make such an election, it cannot be changed later.

If you had a loss in a prior year to carry forward to 1994; enter it as a "minus" figure on line 20. Attach a separate sheet showing how you figured the amount.

See Form N-109 for details.

Line 21

Total Income

Add the amounts in Column A and B for lines 7 through 20. If any of these amounts are negative, first add all the positive amounts. Next, add all the negative amounts. Then, subtract the total of the negative amounts from the total of the positive amounts and enter the result on line 21. If the result is negative, enter it in (parentheses).

Adjustments to Income

Lines 22a and 22b

Individual Retirement Arrangements (IRAs)

What is the Amount of Allowable Deduction?

Compute your allowable deduction as follows:

- 1) Divide your total earned income subject to taxation in Hawaii by the total earned income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information, see the instructions for federal Form 1040.

Line 23

Moving Expenses

Note: *The deduction for moving expenses incurred after December 31, 1993, is allowed as a deduction in computing adjusted gross income rather than as an itemized deduction.*

A nonresident may only deduct expenses connected with a move to or within the State of Hawaii. Hawaii allows a moving expense deduction for animal quarantine costs (up to 120 days) incurred. Moving expenses to a new place of employment outside the State of Hawaii are not deductible.

Employees and self-employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved in connection with your job or business and your new workplace is at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home.

For more details, see Form N-139. Attach the form to your return.

Line 24

Deduction for Self-Employment Tax

If you are self-employed, you will be able to deduct as a business expense 50% of the amount of self-employment taxes paid for the tax year.

Compute your allowable deduction as follows:

- 1) Divide your total self-employment income subject to taxation in Hawaii by the total self-employment income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information see the instructions for federal Form 1040.

Line 25

Keogh Retirement Plan and Self-Employment SEP Deduction

Caution: *You must have earnings from self-employment to claim this deduction. Sole proprietors and partners enter the Hawaii allowable deduction for contributions to your Keogh (H.R. 10) Plan and your SEP on line 25.*

There are two types of Keogh (H.R. 10) retirement plans:

- **Defined-contribution plan.** — This plan provides an individual account for each person in the plan. In general, if contributions to the plan are geared to the employer's profits, the plan is a profit-sharing plan. If contributions are not based on the employer's profits, the plan is a money purchase pension plan.

- **Defined-benefit plan.** — The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age. Write "DB" on the line to the left of the amount if you have a defined-benefit plan.

Compute your allowable deduction as follows:

- 1) Divide your total self-employment income subject to taxation in Hawaii by the total self-employment income computed without regard to source.
- 2) Multiply the resulting percentage by the deduction allowed on your federal return.

For more information, see the instructions for federal Form 1040.

Line 26

Interest Penalty on Early Withdrawal of Savings

The federal Form 1099-INT given to you by your bank or savings and loan association will show the amount of any interest penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 26, Column A. (Be sure to include the interest income on Form N-15, line 8, Column A.)

The penalty cannot be deducted on your Hawaii return if none of the interest from the account was taxable as Hawaii income. If part of the interest was from an account that was taxable as Hawaii income, the deduction of the interest penalty on that account is allowed in full. Enter this amount on line 26, Column B. (Be sure to include the taxable interest income on Form N-15, line 8, Column B.)

Line 27

Alimony Paid

You can deduct (subject to Department of Taxation Rules) periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court or a written separation agreement, or amounts specified as child support.

If you paid alimony to more than one person, enter the social security number of one of the recipients. Show the social security number(s) and the amount paid to the other recipient(s) on an attached statement. Enter your total payments on line 27.

Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if **ALL** 5 of the following apply:

- 1) The instrument does not prevent the payment from qualifying as alimony.
- 2) You and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance.
- 3) You are not required to make any payment after the death of your spouse or your former spouse.
- 4) The payment is not treated as child support.
- 5) For instruments executed in 1985 or 1986, the minimum term rule is met.

If your alimony payments decrease or terminate during the first 3 calendar years, you may be subject to the recapture rule.

Deduction from gross income for alimony and separate maintenance payments shall be allowed only to the extent of the ratio of gross income attributed to this State to the entire gross income computed without regard to source in this State; provided that as used in this sentence "gross income" means gross income as defined in the Internal Revenue Code, minus the deductions defined in section 62 of the Internal Revenue Code, other than the deductions for alimony and separate maintenance payments.

Code, other than the deductions for alimony and separate maintenance payments.

Example:	Total Income	Hawaii Income
Income after allowable deductions (Form N-15, page 1, line 31)*	\$100,000	\$60,000
Computation for allowable alimony deduction: \$60,000 = 60% x \$100,000 = \$60,000		
\$100,000		

Alimony paid (Form N-15, page 1, line 27)

\$10,000	\$6,000
----------	---------

*Excluding amount paid for alimony.

For more information see federal Publication 504, Tax Information for Divorced or Separated Individuals.

Line 28

Payments to an Individual Housing Account

You may be able to deduct from your gross income up to \$5,000, paid in cash during the taxable year into a trust account which is established for savings for a down payment on your first principal residence in Hawaii. A deduction not to exceed \$10,000 shall be allowed for a married couple filing a joint return. No deduction shall be allowed on any amounts distributed less than 365 days from the date on which a contribution is made to the account. Any deduction claimed for a previous taxable year for amounts distributed less than 365 days from the date on which a contribution was made shall be disallowed and the amount deducted shall be included in the previous taxable year's gross income and the tax reassessed. The account, established along the same lines as an individual retirement account (IRA), is to encourage first-time home buyers to save money for a down payment on a home. The interest income earned on the account within the taxable year shall not be included in gross income.

The "first principal residence" means a residential property purchased with the payment or distribution from the individual housing account which shall be owned and occupied as the only home by an individual who did not have any previous interest in, individually, or if the individual is married, whose spouse did not have any interest in a residential property inside or outside the State of Hawaii within the last 5 years of opening the IHA.

The amounts paid in cash allowable as a deduction for all taxable years are limited to \$25,000, in the aggregate, excluding interest earned or accrued. This limitation also applies to married individuals having separate accounts, the sum of such separate accounts and the deduction shall not exceed \$25,000 in the aggregate, excluding interest income earned or accrued.

Other requirements:

- The trustee must be a qualified bank, savings and loan association, credit union, or depository financial services loan company. Check with your financial institution if it is a qualified institution under Hawaii IHA rules.
- The entire interest of the trust account shall be distributed to the taxpayer(s) not later than 120 months after the date on which the first contribution is made to the trust.

For more details, consult your taxation district office.

Line 29

Military Reserve or Hawaii National Guard Duty Pay Exclusion

The first \$1,750 received by each member of the reserve components of the army, navy, air force, marine corps, coast guard of the United States of America, and the Hawaii national guard, as compensation for performance of duty as such is not taxable

for Hawaii net income tax purposes but limited to that income that would have been subject to taxation in Hawaii.

Line 30

Total Adjustments

Add lines 22a through 29. Enter the total on this line. Also include in the total on line 30 jury duty pay you are required to give to your employer because your employer continues to pay your salary while you serve on the jury. Include the amount you repaid during 1994 and write in the total on Form N-15, line 30 "Jury Pay" in the space to the left of the total.

Line 31

Adjusted Gross Income

Line 21 minus line 30. If line 31 is less than zero (0), you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form N-109.

Tax Computation

Line 32

Enter amount from line 31.

Note: If you can be claimed as a dependent on another person's return check the box under line 32. Complete the worksheet on page 12 and enter the appropriate amount on line 34 if you do not itemize your deductions.

Lines 33 to 33a

Follow instructions on Form N-15.

The Hawaii percentage calculated on line 33a will be used on Schedule A to calculate the amount of itemized deductions allowed.

Lines 33b to 33g

You will fall into one of the three classes below:

- You **MUST** itemize deductions, or
- You choose to itemize, or
- You do not itemize.

The three classes are described as follows:

You **MUST** Itemize Deductions

You must itemize deductions if:

- You are married, filing a separate return, and your spouse itemizes.
- You are making a return under IRC section 443(a)(1) for a period of less than 12 months on account of a change in your annual accounting period.
- You were a nonresident alien or dual-status alien during the taxable year.

You Choose to Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than \$1,900.
- Married and filing a separate return, and your itemized deductions are more than \$950.
- Single, and your itemized deductions are more than \$1,500.
- A Head of Household, and your itemized deductions are more than \$1,650.
- A dependent of another taxpayer and your itemized deductions are more than the greater of (1) \$500 or (2) your earned income up to the amount of the standard deduction for your filing status.

If you do itemize, complete Schedule A and enter the amounts on Form N-15, line 33b to 33g.

You Do Not Itemize

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 33h (unless you MUST itemize as described earlier) and go to line 34.

Line 33h

Total Itemized Deductions

Note: People with higher incomes may not be able to deduct all of their itemized deductions.

An individual whose Hawaii adjusted gross income exceeds \$100,000 (\$50,000 if married filing separately) is required to reduce the amount allowable for itemized deductions by 3 percent of the excess over \$100,000 (\$50,000 if married filing separately). In no event may the reduction be more than 80 percent of allowable itemized deductions, not counting the deductions for medical expenses, investment interest, casualty losses, or wagering losses to the extent of wagering gains.

If the amount on Form N-15, line 32, is less than \$100,000 (\$50,000 if married filing separately), add lines 33b to 33g and enter the result on Form N-15, line 33h and go to line 35.

If the amount on Form N-15, line 32, is more than \$100,000 (\$50,000 if married filing separately), use the worksheet for **Total Itemized Deductions** below, to figure the amount you may deduct.

Total Itemized Deductions Worksheet (Keep for your records)

1. Add the amounts on Form N-15, lines 33b thru 33g **1.** _____
2. Add the amounts on Form N-15, lines 33b and 33f, any gambling losses included on line 33g, and the amount on Schedule A, line 11 **2.** _____
- Caution:** Be sure the gambling losses are clearly noted on the dotted lines for Schedule A (Form N-15), line 25a.
3. Line 1 minus line 2 (If the result is zero or less, **STOP HERE**; enter the amount from line 1 above on Form N-15, line 33h) **3.** _____
4. Multiply line 3 above by 80% (.80) **4.** _____
5. Enter the amount from Form N-15, line 32 **5.** _____
6. Enter \$100,000 (\$50,000 if married filing separately) ... **6.** _____
7. Line 5 minus line 6. (If the result is zero or less, **STOP HERE**; enter the amount from line 1 above on Form N-15, line 33h.) **7.** _____
8. Multiply line 7 by 3% (.03) **8.** _____
9. **Compare** the amounts on lines 4 and 8 above. Enter the **SMALLER** of the two amounts here **9.** _____
10. **Total itemized deductions.** Line 1 minus line 9. Enter the result here and on Form N-15, line 33h and go to line 35 **10.** _____

Line 34

Standard Deduction

Taxpayers who do not itemize their deductions may reduce their adjusted gross income by the amount of

the standard deduction appropriate to their filing status. The amount of the standard deduction for each filing status is listed below:

Filing Status	Standard Deduction
Single	\$1,500
Married filing jointly	1,900
Married filing separately	950
Head of Household	1,650
Qualifying Widow(er)	1,900

Standard Deduction for Dependents. If you do not itemize your deductions, your standard deduction is limited to the greater of \$500 or your earned income (up to the full standard deduction for your filing status). The standard deduction for an individual who can be claimed as a dependent on the tax return of another taxpayer is computed as follows:

- A.** Enter your earned income (defined below). If none, enter zero. **A.** _____
- B.** Minimum amount **B.** 500.00
- C. Compare** the amounts on lines A and B above. Enter the **LARGER** of the two amounts here **C.** _____
- D.** Maximum amount. Enter the full standard deduction for your filing status, shown in the chart above, here **D.** _____
- E. Compare** the amounts on lines C and D above. Enter the **SMALLER** of the two amounts here and on Form N-15, line 34. **E.** _____

Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form N-15, lines 7, 12, and 18, Column A, minus the amount, if any, on line 24, Column A.

If you are not itemizing your deductions, enter the appropriate standard deduction amount on line 34.

Special Rule for Nonresident and Dual-Status Aliens.— If you were a nonresident or dual-status alien during the tax year, you cannot claim the standard deduction. You must itemize any allowable deductions.

Line 35

Line 32 minus line 33h or 34, whichever applies. (This line **MUST** be filled in.)

Line 36

Exemptions

Regular Exemptions

You are allowed \$1,040 for each exemption you can claim. Multiply \$1,040 by the total number of exemptions you claimed on line 6e. **Remember, if you can be claimed as a dependent on another person's tax return, you may not claim an exemption for yourself.**

OR

Blind, Deaf, or Totally Disabled — Definition, Certification, and Exemptions

Check the appropriate box(es) on line 36 if you are blind, deaf or totally disabled and your impairment has been certified. The disability exemption will be disallowed and your return processed **without** the exemption(s) claimed if you have not qualified for this special exemption by completing Forms N-172 and N-857 prior to filing your return and you will be required to file

an amended return **AFTER** submitting the Forms N-172 and N-857, in order to claim this exemption.

"Blind" means a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or whose visual acuity is greater than 20/200 but is accompanied by a limitation in the field of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

"Deaf" means a person whose average loss in the speech frequencies (500-2000 Hertz) in the better ear is 82 decibels, A.S.A., or worse.

"Person totally disabled" means a person who is totally and permanently disabled, either physically or mentally, which results in the person's inability to engage in any substantial gainful business or occupation. It is presumed that a person whose gross income, before deductions and exemptions, exceeds \$30,000 per year is engaged in a substantial, gainful business or occupation.

The impairment of sight, deafness or disability shall be certified on the basis of a written report on an examination performed by a qualified ophthalmologist, qualified optometrist or a qualified otolaryngologist, or a qualified physician, as the case may be, on Form N-857.

A blind, deaf or totally disabled person who qualifies, may be allowed a Disability Exemption of \$7,000. The Disability Exemption is in lieu of the regular personal exemption of \$1,040. The following maximum exemptions are allowed:

Single —	\$7,000
Husband and Wife —	\$14,000
Husband or Wife (non-disabled spouse <i>under</i> 65) —	\$8,040
Husband or Wife (non-disabled spouse age 65 or over) —	\$9,080

For more information, see Tax Information Release No. 89-3, "State Tax Benefits Available to Persons with Impaired Sight, Impaired Hearing, or Who are Totally Disabled" and Tax Information Release No. 94-2, "State Tax Benefits Available to Persons Totally Disabled".

Note: If you claim this special exemption you will not be able to claim the additional exemptions for your children or other dependents.

Enter the appropriate amount on line 36.

Line 37

Taxable Income

Line 35 minus line 36, but not less than zero.

Tax

Line 38

To figure your tax, you will use one of the following methods. Read the conditions below to see which you should use.

Tax Table

If you do not use the Tax Rate Schedules, you **MUST** use the Tax Table to find your tax.

Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

There is an example at the beginning of the table to help you find the correct tax.

Tax Rate Schedules

You must use the Tax Rate Schedules to figure your tax if your taxable income is \$100,000 or more.

Alternative Tax from Schedule D

If you have a net capital gain, you may be subject to the Alternative Tax computed on Schedule D. See Schedule D for more information.

Form N-615

If a child under age 14 has investment income of more than \$1,000, use Form N-615 to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's tax. See Form N-615 for more information.

Additional Taxes

Use this line to report any of the additional taxes listed below:

- Form N-2, Distribution from an Individual Housing Account.
- Form N-103, Sale of Your Home.
- Form N-152, Special 5-Year Averaging Method.
- Form N-312, Recapture of Capital Goods Excise Tax Credit. (See Form N-312 for more information).
- Form N-405, Tax on Accumulation Distribution of Trusts.
- Form N-586, Recapture of Low-Income Housing Tax Credit. (See Form N-586 for more information).
- Form N-814, Parent's Election to Report Child's Interest and Dividends. (See Form N-814 for more information).

Credits

Line 39

Enterprise Zone Tax Credit

A qualified enterprise zone business is eligible to claim a credit for a percentage of net income tax due the State attributable to the conduct of business within a zone and a percentage of the amount of unemployment insurance premiums paid based on the payroll of employees employed at the business firm establishments in the zone. The applicable percentage is 80% the first year; 70% the second year; 60% the third year; 50% the fourth year; 40% the fifth year; 30% the sixth year; and 20% the seventh year. This credit is not refundable and any unused credit may NOT be carried forward. Attach Form N-756, Enterprise Zone Tax Credit, to support your claim for this credit.

Line 40

Other Non-refundable Credits

Include on line 40 the sum of amounts allowed for the credits described below. Prepare a schedule and attach it to your return to support your credit claims.

Energy Conservation Tax Credit

If you received a proration of energy conservation credit on Form N-157A from a Hawaii partnership, trust, estate or S corporation, complete Form N-157 and enter your share of the credit on this line. Attach both forms to your return.

Low-Income Housing Tax Credit

Note: There is a permanent extension of the low-income housing tax credit to periods ending after June 30, 1992.

Hawaii's low-income housing tax credit is equal to 30% of the federal credit for qualified buildings located within the State of Hawaii. The federal credit must be claimed in order to claim the Hawaii credit. Attach Form N-586, Tax Credit for Low-Income Housing, to the income tax return on which the credit is claimed.

Contact the State of Hawaii — Housing Finance Development Corporation for qualifying requirements and further information.

Credit For Employment of Vocational Rehabilitation Referrals

The amount of the tax credit for the taxable year shall be equal to 20% of the qualified first-year wages for that year. The amount of the qualified first-year wages

which may be taken into account with respect to any individual shall not exceed \$6,000.

"Qualified wages" means the wages paid or incurred by the employer during the taxable year to an individual who is a vocational rehabilitation referral and more than one-half of the wages paid or incurred for such an individual is for services performed in a trade or business of the employer.

"Qualified first-year wages" means, with respect to any vocational rehabilitation referral, qualified wages attributable to service rendered during the one-year period beginning with the day the individual begins work for the employer.

The credit allowed shall be claimed against net income tax liability for the taxable year. A tax credit which exceeds the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted. Claims for this credit, including any amended claims thereof, must be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed.

For more information, see Form N-884.

Line 42

Line 38 minus line 41. Enter the result on this line, but not less than zero.

Line 43a

Total Hawaii Income Tax Withheld

Add the Hawaii income tax withheld as shown on your Form N-2 and federal Form W-2. Enter the total on this line.

Note: If you had taxes withheld on the sale of Hawaii real property, this tax withheld is considered **ESTIMATED** taxes. See instructions for "1994 Estimated Tax Payments" below.

Line 43b

1994 Estimated Tax Payments

Enter on this line only your estimated Hawaii income tax payments you made on Form N-1 for 1994 and amounts paid on your behalf as a nonresident shareholder of an S corporation doing business in Hawaii as shown on your copy of Form N-4. Do not include your 1993 overpayment that you requested to have applied to your 1994 estimated tax (this amount is to be reported on line 43c).

If you, as an individual, had taxes withheld on the sale of Hawaii real property, include the amount of taxes for each sale remaining in your account with the State, on this line.

If the tax was withheld for you through a partnership, estate, or trust, see the Instructions for *Credit for Taxes Withheld on the Sale of Hawaii Real Property Interests* on page 14.

Enter the amounts paid on Forms N-1, N-4, and N-288A in the appropriate spaces. Add the amounts paid on Forms N-1, N-4, and N-288A, and enter the result on line 43b.

Note: If you filed a Form N-288C, "Application for Tentative Refund of Withholding on Dispositions of Hawaii Real Property Interests", during 1994 for the amount of taxes overwithheld on the sale of Hawaii real property for which you are claiming this credit, **BE SURE** to claim **ONLY** the amount of estimated taxes remaining in your account on December 31, 1994 for that sale.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid or you can each claim a part of it. Please be sure to show both social security numbers on the separate returns. If you or your spouse paid separate estimated tax, but you are

now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died.

Line 43c

1993 Overpayment Applied to 1994 Estimated Tax

Enter on this line any overpayment from your 1993 return that you applied to your 1994 estimated tax as shown on line 46 of your 1993 Form N-15.

Line 43d

Amount Paid with Extension(s)

If you filed Form N-101A and/or N-101B to get an extension of time to file Form N-15, enter the amount you paid on this line.

Line 43e

Capital Goods Excise Tax Credit

A four percent credit is available to Hawaii businesses on the acquisition of qualifying business property which is purchased and placed in service in 1994.

To Claim This Credit. Use Form N-312 and attach the form to your return.

For more information, see the instructions for Form N-312 and Tax Information Release No. 88-6, *Capital Goods Excise Tax Credit*, Tax Information Release No. 88-8, *Capital Goods Excise Tax Credit Recapture*, and Tax Information Release No. 89-4, *The Taxpayer Who Is Entitled To The Capital Goods Excise Tax Credit When the Parties Characterize a Transaction As A Sale-Leaseback*.

Line 43f

Credit for Child Passenger Restraint System

Each individual taxpayer who files an individual income tax return for the taxable year may claim a tax credit for 1994 for the purchase of **one or more new** child passenger restraint systems which can be shown to be in substantial conformity with specifications for such restraint systems set forth by the federal motor vehicle safety standards which were in effect at the time of such purchase.

Note: This credit is \$25 per return regardless of the cost or the number of restraint systems purchased.

To Claim this Credit. Use Form N-165 and attach the form with a copy of the sales invoice, which states the type of child restraint system purchased, to your return.

Deadline for claiming this credit. Claims for the tax credit, including any amended claims thereof, must be filed on or before December 31, 1995.

Line 43g

Other Credits

Include on line 43g the sum of amounts allowed for the credits described below. Prepare a schedule and attach it to your return to support your credit claims.

Fuel Tax Credit for Commercial Fishers

Each principal operator of a commercial fishing vessel who files an individual income tax return may claim an income tax credit against their individual income tax for 1994 for certain fuel taxes paid during the year. A husband and wife filing separate returns for 1994 for which a joint return could have been filed, shall claim only the tax credit to which they would have been entitled to had a joint return been filed.

To Claim This Credit. Use Form N-163 and attach the form to your return.

Deadline for claiming this credit. Claims for this credit, including any amended claims thereof, must be filed on or before December 31, 1995.

Credit From a Regulated Investment Company

A shareholder of a regulated investment company is allowed a credit of 4.0 percent of the amount of capital gains which by section 852(b)(3)(D) of the Internal Revenue Code is required to be included in the shareholder's return and on which there has been paid to the State by the regulated investment company the tax of 4.0 percent.

The regulated investment company will notify you of the undistributed capital gains amount and the tax paid, if any.

Credit for Taxes Withheld on the Sale of Hawaii Real Property Interests

If you as an individual, had taxes withheld on the sale of Hawaii real property, see the Instructions for 1994 Estimated Tax Payments on page 13.

If the tax was withheld for you through a partnership, estate, or trust, include ONLY the amount of your pro rata share of any net income taxes paid, for each sale, by the partnership, estate, or trust on this line.

Note: If the partnership, estate, or trust filed a Form N-288C, "Application for Tentative Refund of Withholding on Dispositions of Hawaii Real Property Interests", during 1994 for the amount of taxes overwithheld on the sale of Hawaii real property for which you are claiming this credit, **BE SURE** to claim ONLY your pro rata share of the amount of estimated taxes remaining in the partnership, estate, or trust account on December 31, 1994 for that sale.

Line 43h

Total

Add lines 43a through 43g. Enter the amount on this line.

Refund or Balance Due

Line 44

Amount Overpaid (If line 43h is larger than line 42)

Line 43h minus line 42. You can choose to have all, or part, of this amount refunded to you (line 45). The remainder, if any, can be applied to your estimated tax for 1995 (line 46). If line 44 is under \$1, we will send you a refund only on written request.

Line 45

Refund

Enter the amount from line 44 that you want refunded to you.

Line 46

Applied to 1995 Estimated Tax

Line 44 minus line 45. This is the amount that will be applied to your estimated tax for 1995. Enter this amount on line 46.

We will apply amounts to your account unless you attach a request to apply it to your spouse's account. The request should include your spouse's social security number and full name.

Line 47

Amount You Owe (If line 42 is larger than line 43h)

Attach your check or money order for the full amount when you file. Make it out to "Hawaii State Tax Collector." Be sure to write your social security number and "1994 Form N-15" on it. Please pay in U.S. dollars. If line 47 is under \$1, you do not have to pay.

Note: If you include penalty and/or interest for the late filing of your return with your payment, identify and enter these amounts on a separate sheet of paper and attach to Form N-15. Do not include the penalty and/or interest amounts for the late filing of your return in Amount You Owe on line 47 of Form N-15.

Line 48

Estimated Tax Penalty

See the instructions for **Penalties and Interest** on this page and Form N-210 to see if you owe a penalty for the underpayment of estimated taxes.

If you owe a penalty, enter the penalty amount on Form N-15, line 48. Add the penalty amount to any tax due and enter the total on line 47. If you have an overpayment, subtract the penalty amount from the overpayment you show on line 44. However, if your overpayment is less than the penalty amount, enter the difference as a balance due on line 47.

Now continue with Step 5 below.

Step 5

Check your return to make sure it is correct.

Step 6

Sign and date your return.

Form N-15 is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return.

Step 7

Did you have someone else prepare your return?

If you fill in your own return, the Paid Preparer's space should remain blank. If someone prepares your return and does not charge you that person should not sign your return.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Information area of your return.

If you have questions about whether a preparer is required to sign your return, please contact your taxation district office.

The preparer required to sign your return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give you a copy of your return in addition to the copy to be filed with your taxation district office.

Step 8

Attachments

Attach a copy of your Form(s) HW-2 and N-2, or federal Form W-2, to the front of Form N-15 in the area designated. Attach schedules in alphabetical order and other forms in numerical order to the back of Form

N-15. Also, attach a copy of your federal income tax return.

If you need more space on forms or schedules, attach separate sheets and use the same arrangement as the printed forms. But show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on these separate sheets.

If you owe tax, be sure to attach your payment to the front of Form N-15.

Reminders

Refund Processing

In general, refunds due to you are issued within 8 weeks from the date your return is filed with the Department of Taxation. However, it may take additional time if you filed your return close to the April 20 filing deadline, if errors were made in completing your return, or you moved and did not change your address in writing with the district tax office with which you filed your return.

Please do not contact the Department regarding the status of your refund until at least 8 weeks have passed from the date your return was filed with the Department.

Penalties and Interest

Late Filing of Return. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return.

Interest. Interest will be charged on taxes not paid by their due date, even if an extension of time to file is granted. The interest rate for not paying tax when due is 2/3 of 1% of the unpaid amount for each month or part of a month it remains unpaid.

Failure to pay tax after filing timely returns. If a return is timely filed and the tax due is not completely paid within 60 days of the due date of the return, an amount up to 20% of the unpaid tax will be added to the tax due.

Underpayment of estimated taxes. Starting with taxable years beginning after December 31, 1992, the Department will be imposing the penalty for the underpayment of estimated tax as provided in section 235-97(f), HRS. If applicable, this penalty shall be added to the tax for the taxable year in an amount determined at the rate of eight percent (8%) a year upon the amount of the underpayment for the period of the underpayment. The amount of the underpayment is the excess of the required installment, over the amount, if any, of the installment paid on or before the due date for the installment. The period of the underpayment shall run from the due date for the installment to whichever of the following dates is the earlier (1) the 20th day of the 4th month following the close of the taxable year (the due date of the income tax return without extension), or (2) with respect to any portion of the underpayment, the date on which the portion is paid. A payment of estimated tax on any installment date shall be credited against unpaid required installments in the order in which the installments are required to be paid.

Generally, if at least: (1) 90% (66 2/3% for farmers and fishermen) of the 1994 tax liability; (2) 100% of the tax shown on the 1993 return (110% of that amount if the individual's adjusted gross income on that return is more than \$150,000, and less than 2/3 of gross income for 1993 or 1994 is from farming or fishing); or (3) 90% of the tax figured by annualizing the taxable income, whichever is smallest, is not prepaid, a penalty for not paying enough estimated tax may be charged. For more information, see Form N-210.

Change of Address

If your mailing address changes after you file your return, you must notify the Department in writing of the change in addition to notifying the post office serving your former address. Failure to do so may prevent any refund due to you from being delivered (the postal service is not permitted to forward your State refund check), and delay important notices or correspondence to you regarding your return. Be sure to include your name(s) and social security number(s) as printed on your return in any correspondence with the Department.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your tax return until the statute of limitations runs out for that return. Usually this is three years from the date the return was due or filed, or three years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, property records (including those on your own home) should be kept as long as they are needed to figure the basis of the original or replacement property.

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file Form N-188X, Amended Individual Income Tax Return, to change the Form N-12, Form N-13, Form N-13EZ, or Form N-15 you already filed.

Change in Federal Taxable Income

In general, a change to your federal return, whether it is made by you or by the Internal Revenue Service, must be reported to the State of Hawaii.

- (1) Section 235-101(b), HRS, requires a report to the Director of Taxation if the amount of IRC taxable income is changed, corrected, adjusted or recomputed as stated in (3).
- (2) This report must be made:
 - (a) Within 90 days after a change, correction, adjustment or recomputation is finally determined.
 - (b) Within 90 days after an amended return is filed.
- (3) A report within the time set out in (2) is required if:
 - (a) The amount of taxable income as returned to the United States is changed, corrected, or adjusted by an officer of the United States or other competent authority.
 - (b) A change in taxable income results from a renegotiation of a contract with the United States or a subcontract thereunder.
 - (c) A recomputation of the income tax imposed by the United States under the Internal Revenue Code results from any cause.
 - (d) An amended income tax return is made to the United States.
- (4) The statutory period for the assessment of any deficiency or the determination of any refund attributable to the report shall not expire before the expiration of one year from the date the department is notified by the taxpayer or the Internal Revenue Service, whichever is earlier, of such a report in writing. Before the expiration of this one-year period, the department and the taxpayer may agree in writing to the extension of this period. The period so agreed upon may be further extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

Instructions for Form N-15 Schedule A — Itemized Deductions

Note: People with higher incomes may not be able to deduct all of their itemized deductions. If the amount on Form N-15, line 32, is more than \$100,000 (\$50,000 if married filing separately), complete Schedule A, then use the worksheet for **Total Itemized Deductions** on page 12, to figure the amount you may deduct.

Purpose

Some taxpayers must itemize their deductions and some should itemize because they will save money. See *You MUST Itemize Deductions* and *You Choose to Itemize* on page 11.

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, casualty and theft losses, and other miscellaneous expenses. These are explained on the pages that follow.

Hawaii has adopted the federal law regarding itemized deductions. In addition, Hawaii allows a deduction for certain political contributions (see the instructions for miscellaneous deductions not subject to the 2% limitation below).

However, a nonresident (i.e. a U.S. resident who is not a resident of Hawaii, a nonresident alien or a dual-status alien) may not be allowed a deduction at all or allowed a deduction only in part even if such a deduction is otherwise provided for in the law.

A deduction is not allowed at all if it can be tied to a specific investment, property or activity carried on outside Hawaii or which results in income which is not subject to taxation by Hawaii. Examples include income taxes paid to a state other than Hawaii on wages earned as an active duty serviceman stationed in Hawaii and mortgage interest connected with property located outside Hawaii.

A deduction may be allowed either in full or in part depending on which of the following three classes of deductions it falls in.

Class I If the deduction is connected with income arising in Hawaii and taxable to a nonresident under Hawaii income tax law, it is allowed in full. Deductions in this class include:

- (a) All the ordinary and necessary expenses of conducting a business.
- (b) Income tax paid to Hawaii.
- (c) Interest paid in connection with taxable income.
- (d) Casualty losses incurred in a trade or business.
- (e) Losses sustained in transactions entered into for profit in real property and tangible personal property.

Class II If the deduction is connected with property (other than property associated with income arising in Hawaii falling in Class I) having a tax situs in Hawaii, it is allowable in full. Deductions in this class include:

- (a) Real property tax on a residence located in Hawaii.
- (b) Interest on a mortgage connected with property located in Hawaii.
- (c) Casualty and theft losses on nonbusiness property located in Hawaii allowed only to the extent that the total losses, after the \$100 deduction, exceed 10% of the adjusted gross income.

Class III If a deduction allowed under Hawaii law is not tied to a specific investment, property, or activity carried on outside Hawaii or which results in income not subject to taxation by Hawaii, and does not fall in either Class I or II above, it is allowed only to the extent of the ratio of adjusted gross income attributable to Hawaii to the total adjusted gross income attributable to worldwide sources. Deductions in this class include:

- (a) Medical expenses.
- (b) Contributions.

Lines 1 through 4

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete your Form N-15 through line 33a.

The deductible amount is that part of your medical and dental expenses (multiplied by the Hawaii ratio computed on Form N-15, line 33a) that is more than 7.5% of your Hawaii adjusted gross income on your N-15, line 31, Column B.

Lines 1 through 4 of Schedule A explain how to deduct your medical and dental expenses. When you figure them, you can include medical and dental bills you paid for:

- Yourself;
- Your spouse;
- All dependents you list on your return;
- Your child whom you do not claim as a dependent because of the rules explained on page 7 for *Children of Divorced or Separated Parents*; and
- Any person that you could have listed as a dependent on your return if that person had not received \$2,450 or more of gross income or had not filed a joint return.

Example — You gave more than half of your mother's support but cannot list her as a dependent because she received \$2,450 of wages during 1994. If part of your support was the payment of her medical bills, you can include that part in your medical expenses.

You should include all amounts you paid during 1994, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer.

Examples of Medical and Dental Payments You CAN Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Hospital, medical, dental, and extra Medicare (Medicare B) insurance.
- Prescription drugs and insulin.
- Medical doctors, dentists, eye doctors, gynecologists, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you can deduct only the cost of nursing help.
- Hospital care (including meals and lodging), clinic costs, lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining the dogs.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received medical care; or you can claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.
- Cosmetic surgery or procedure that is necessary to correct a deformity arising from, or directly related to:
 - A congenital abnormality;

- a personal injury resulting from an accident or trauma; or
- a disfiguring disease.

Examples of Medical and Dental Payments You CANNOT Deduct

You cannot deduct the following:

- The basic cost of Medicare Insurance (Medicare A).
- **Note:** *If you are 65 or over and are not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.*
- Life insurance or income protection policies.
- The 1.45% hospital insurance benefits tax withheld from your pay as part of the social security tax or paid as part of social security self-employment tax.
- Nursing care for a healthy baby.
- Illegal operations or drugs.
- Nonprescription medicines or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.
- Amounts paid for cosmetic surgery which is directed at improving the appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease.

Note: *If expenses for cosmetic surgery are NOT deductible as medical expenses, then amounts paid for insurance coverage for such expenses are NOT deductible AND reimbursements for such expense are not excludible from the gross income of the individual if under a health plan provided by the employer.*

Lines 5 through 8

Taxes

Taxes You CAN Deduct

- **State and local income taxes (line 5).**

Hawaii income taxes that were withheld from your salary and any estimated tax payments made to Hawaii are deductible in full. Also include payments you made to Hawaii in 1994 on a tax for a prior year, and the NET amount of taxes withheld from the sale of Hawaii real property interests.

If you received a refund of (credit for) prior year taxes in 1994, see the instructions for Form N-15, line 10. Do not reduce your itemized deductions by this amount.

- **Real estate taxes (line 6)**

Include taxes that you paid on property you own that was located in Hawaii and not used for business.

If you pay your real estate taxes as part of your mortgage payments, do not take a deduction for that amount. Deduct the taxes in the year the mortgage company actually paid them to the taxing authority.

Taxes You CANNOT Deduct

- Federal income tax.
- Social security tax (FICA).
- Medicare tax.
- Railroad retirement tax (RTTA).
- Federal excise tax on personal property, transportation, telephone, and gasoline.
- Custom duties.
- Federal estate and gift taxes. (However, see *Miscellaneous Deductions* on page 17).
- Certain state and local taxes, including:
 - a. State and local income taxes paid to a state other than Hawaii.

- a. Real estate taxes paid on a property not located in Hawaii.
- c. General sales taxes.
- d. Tax on gasoline.
- e. Car inspection fees.
- f. Tax on liquor, beer, wine, cigarettes and tobacco.
- g. Assessments for sidewalks or other improvements to your property.
- h. Taxes paid for your business or profession. (Use Schedule C, E or F of Form N-12/N-15 to deduct these business taxes.)
- i. Tax you paid for someone else.
- j. License fees. (Marriage, driver's, dog, hunting, auto, etc.)
- k. Inheritance tax.

Lines 9a through 12

Interest Expense

You should show on Schedule A interest on non-business items only. Except for certain mortgage interest, the amount of your personal interest expense is **not** allowed as an itemized deduction on Schedule A.

Mortgage Interest. — Interest on a mortgage secured by a home **located in Hawaii** is deductible in full. Interest on a mortgage secured by a home located outside Hawaii is not deductible.

Line 9a. Enter on line 9a deductible mortgage interest you paid directly, or indirectly, to financial institutions. If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received the federal Form 1098, attach a statement to your return showing the name and address of that person. Next to line 9a, write "See attached."

If you paid \$600 or more of mortgage interest, the recipient will generally send you a federal **Form 1098**, Mortgage Interest Statement, or similar statement, by January 31, 1995, showing the total interest received during 1994. Points you paid will not be shown.

Note: *If the recipient was not a financial institution and you did not receive a federal Form 1098 from the recipient, report your deductible mortgage interest on line 9b.*

If you paid more interest to financial institutions than is shown on federal Form 1098, refer to Publication 545 to see if you can deduct the additional interest. If you can, attach a statement explaining the difference and write "See attached" next to line 9a.

Home Mortgage Interest. — In most cases, you will be able to deduct all of your home mortgage interest. The following rules apply to any loans secured by your main home, including first and second mortgages, home equity loans and refinanced mortgages. Whether your home mortgage interest is deductible depends on the date you took out the mortgage, the amount of the mortgage and your use of its proceeds.

If ALL of your mortgages fit into one or more of categories **a.**, **b.**, and **c.** below, you can deduct all of the interest on those mortgages and report it on Schedule A, line 9a or 9b, whichever applies. If one or more of your mortgages does not fit into any of the categories below, get federal Publication 936, Limits on Home Mortgage Interest Deduction, to figure the amount of interest you can deduct.

a. Mortgages you took out on your main home ON or BEFORE October 13, 1987. These mortgages also include line-of-credit mortgages you had on October 13, 1987, and mortgages you had on October 13, 1987, that you refinanced after that date. But see *Special Rules* if you refinanced or borrowed additional amounts on a line-of-credit mortgage after October 13, 1987.

b. Mortgages you took out on your main home AFTER October 13, 1987, to buy, build, or improve your home, but only if these mortgages plus any mortgages in **a.** above totaled \$1 million or less throughout 1994. The limit is \$500,000 or less if married filing separately.

c. Mortgages you took out AFTER October 13, 1987, on your main home, OTHER THAN to buy, build, or improve your home, but only if these mortgages totaled \$100,000 or less throughout 1994. The limit is \$50,000 or less if married filing separately.

An example of a mortgage used for purposes other than to buy, build, or improve your home is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

Special Rules

Refinanced Mortgages. — If you had a mortgage on your home on October 13, 1987, and refinanced it after that date for no more than the balance of the existing mortgage, all of the new mortgage is treated as a mortgage described in **a.** above. But, if you refinanced it for more than the balance of the existing mortgage, only the part of the new mortgage equal to the amount you owed on the mortgage at the time you refinanced is treated as a mortgage described in **a.** The part of the new mortgage that is more than the balance of the existing mortgage is a mortgage described in **b.** or **c.** (or **b.** and **c.** if a **mixed-use mortgage** — see below).

Line-of-Credit Mortgages. — If you had a line-of-credit mortgage on your home on October 13, 1987, and you borrowed additional amounts on this line of credit after that date, the additional amounts borrowed are treated as a mortgage taken out after October 13, 1987, and are subject to the rules under **b.** or **c.** (or **b.** and **c.** if a **mixed-use mortgage** — see below).

Mixed-Use Mortgages. — If you took out a new mortgage after October 13, 1987, (including refinancing for more than what you owe or borrowing additional amounts on a line-of-credit mortgage you had on October 13, 1987), for purposes described in both **b.** and **c.** above, you have a mixed-use mortgage. The mortgage proceeds used to buy, build, or improve the home fit into category **b.** and the rest of the proceeds fit into category **c.**

Example. You took out a mortgage on your home for \$200,000 in 1980. You file as single for 1994. In March 1994, when the home had a fair market value of \$400,000, and you owed \$195,000 on the mortgage, you took out a home equity loan for \$120,000. In 1994, you used \$90,000 of the home equity loan proceeds for home improvements, and \$30,000 for other purposes. You can deduct all of the interest on both mortgages. The first mortgage qualifies because it was taken out on or before October 13, 1987. The home equity loan qualifies under the dollar limits in **b.** and **c.** The part of the mortgage subject to the dollar limit in **b.** (\$90,000) plus the first mortgage of \$195,000 totaled less than \$1 million. The part of the mortgage subject to the dollar limit in **c.** (\$30,000) was less than \$100,000.

Note: *Additional limits apply if the total amount of all mortgages exceeds the fair market value of the home. See federal Publication 936.*

What is a Home. — A home may be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, a toilet, and cooking facilities.

More Than One Home. — If you had a main home and a second home, the dollar limits explained in **b.** and **c.** above apply to the total mortgages on both homes.

Investment interest deduction. — Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to a passive activity.

Complete and attach Form N-158, Investment Interest Expense Deduction, to figure your deduction.

Exception. You do not have to file Form N-158 if ALL of the following apply:

- Your only investment income was from interest or dividends,
- You have no other deductible expenses connected with the production of the interest or dividends,
- Your investment interest expense is not more than your investment income,
- You have no carryovers of investment interest expense from 1993, and
- You have no passive activity losses.

For more details, get federal Publication 550, Investment Income and Expenses.

Interest Expense You CANNOT Deduct

Do not include the interest you paid for —

- Personal Interest.
- Indebtedness of another person, when you are not legally liable for payment of the interest.
- A gambling debt or other nonenforceable obligation.
- A life insurance loan, if interest is added to the loan and you report on the cash basis.
- Money you borrowed to buy tax-exempt securities or single-premium life insurance.
- Any kind of business transaction. Use Schedule C, E or F to report business interest expenses.

See the instructions for federal Form 1040, Schedule A—Interest Expense for more information.

Lines 13 through 17

Gifts to Charity

Nonresidents of Hawaii are allowed a deduction for certain contributions. However, the total amount of those contributions allowed as a deduction is limited by the ratio of Hawaii adjusted gross income to total adjusted gross income.

You can deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for or help people who have arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, State, and local governments if the gifts are solely for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you can deduct only the amount that is more than the benefit you received.

If you do not know whether you can deduct what you gave to an organization, check with that organization or with your taxation district office.

Contributions You CAN Deduct

Contributions can be cash (including checks and money orders), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drive to and from the volunteer work, you can take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Note: For contributions made on or after January 1, 1994, charitable contributions of \$250 or more must be substantiated by a written acknowledgment from the donee organization to be deductible.

Line 13. — Enter the total contributions you made in cash or by check (including out-of-pocket expenses).

Line 14. — If you gave property, state the kind of property you gave and the name of the organization you gave it to. Include the date you gave it, show how you figured its value at the time you gave it, and state whether it was capital gain or ordinary income property. If you determine the value of a gift by an appraisal, attach a signed copy of it. For gifts valued at over \$500, also attach a statement showing:

- a. The address of the organization.
- b. A description of the property.
- c. Any condition attached to the gift.
- d. How you got the property.
- e. The cost or other basis of the property if:
 1. You owned it less than five years, or
 2. You must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- f. How you figured your deduction if you choose to reduce your deduction for contributions of capital gain property.
- g. If the gift was a "qualified conservation contribution" under IRC section 170(h), also include the fair market value of the underlying property before and after the gift, the type of legal interest donated, and describe the conservation purpose furthered by the gift. Federal Form 8283 may be used for this purpose.

If you donate property to an organization for which you claim a deduction of over \$5,000 (\$10,000 for stock except publicly traded stock) for a single item (plus all similar items donated to one or more organizations), you must attach an appraisal of the donated property's fair market value to your return. The appraisal must be obtained from a qualified independent appraiser.

If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

Special rules apply if your contributions are more than 20% of Form N-15, line 31, column B. If you gave gifts of property that increased in value, made bargain sales to charity, or gave gifts of the use of property, other rules apply. See federal Publication 526 for more information.

Contributions You CANNOT Deduct

- Political contributions (but see instructions for Miscellaneous Deductions, lines 19 through 27).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Tuition to a private school.
- The value of your time or services.
- Value of blood given to a blood bank.

- The transfer of a future interest in tangible personal property (generally until the entire interest has been transferred).
- Gifts to:
 - a. Individuals.
 - b. Foreign organizations.
 - c. Groups that are run for personal profit.
 - d. Groups whose purpose is to lobby for changes in the law.
 - e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Line 18

Casualty and Theft Losses

Use line 18 to report casualty or theft loss(es) of property that is not trade, business, or rent or royalty property. The property must be in Hawaii and the casualty and theft loss must have occurred in Hawaii. Complete **Form N-184**, Casualties and Thefts, to figure your loss. Enter on line 18 of Schedule A the amount of loss from Form N-184. Attach Form N-184.

Losses You CAN Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

If you have a nonbusiness casualty loss that is covered by insurance, you cannot take the casualty loss deduction unless you file a timely insurance claim for that loss. You can deduct nonbusiness casualty or theft losses only to the extent that:

- a. The amount of EACH separate casualty or theft loss is more than \$100, and
- b. The total amount of ALL losses during the year is more than 10% of your adjusted gross income on Form N-15, line 31, column B.

Losses You CANNOT Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 20a of Schedule A to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

Lines 19 through 27

Miscellaneous Deductions

Most miscellaneous itemized deductions are generally deductible only to the extent that they exceed 2% of your adjusted gross income.

As a nonresident of Hawaii, all miscellaneous deductions allowed under Hawaii law may not be allowed to you. If it is allowed, you must additionally determine if it is allowed in full or whether it is subject to limitation by the ratio of Hawaii adjusted gross income to total adjusted gross income (line 33a).

In general, a miscellaneous deduction is **not** allowed if the expense incurred can be directly associated with activities or properties producing income which is not taxable to Hawaii.

A miscellaneous deduction is allowed in full if the expense incurred can be directly associated with activities or properties producing income which is taxable to Hawaii.

A miscellaneous deduction is limited by the ratio of Hawaii adjusted gross income to total adjusted gross income if the expense cannot be linked to a specific activity or property.

Expenses Subject to the 2% Limit (Lines 19 through 20b)

Line 19. — Use this line to report job expenses you paid for which you were not reimbursed and the income from the job was taxable to Hawaii. In some cases, you must first fill out Form N-106, Employee Business Expenses. Fill out Form N-106 if:

1. You claim any travel, transportation, meal, or entertainment expenses for your job; or
2. Your employer paid you for any of your job expenses reportable on line 19.

If 1 or 2 above applies, enter the amount from line 11 of Form N-106 on line 19 of Schedule A.

If you don't have to fill out Form N-106, just list the type and amount of your expenses on the dotted line for line 19. If you need more space, attach a statement showing the type and amount of the expense. Enter one total in the amount space for line 19.

Examples of expenses to include on line 19 are:

- Travel, transportation, meal, or entertainment expense. (**Note:** If you have any of these expenses, you must use Form N-106 for all of your job expenses).
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you may not usually wear away from work.
- Protective clothing, required in your work, such as hard hats and safety shoes and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, see federal Publication 587, Business Use of Your Home.
- Education expenses you paid that were required by your employer, or by law or regulations, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, see federal Publication 508, Educational Expenses. Some education expenses are not deductible. See *Expenses You MAY NOT Deduct* on this page.
- Deduction for repayment of amounts under a claim of right if \$3,000 or less. See *Repayments* in federal Publication 525, Taxable and Nontaxable Income, for more information.

Line 20a. — Use this line for amounts you paid to produce or collect taxable income, and to manage or protect property held for earning income. The expenses incurred for these purposes must be directly associated with activities or properties producing income which is taxable to Hawaii.

List the type and amount of each expense on the dotted lines for line 20a. If you need more space, attach a statement showing the type and amount of each expense. Enter one total in the amount space for line 20a. Examples of these expenses are:

- Tax return preparation fee.
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., trust account) fees.
- Your share of the investment expenses of a regulated investment company.

- Deduction for the cost of any qualified clean-fuel vehicle property and any qualified clean-fuel vehicle refueling property placed in service after June 30, 1993.

Line 20b. — Use this line to report the expenses for producing income which cannot be linked to a specific activity or property.

Expenses NOT Subject to the 2% Limit (Lines 24, 25a and 25b)

Use these lines to report miscellaneous deductions that are not subject to the 2% AGI limit. Although these expenses are not subject to the 2% limit, these expenses are subject to the 3% limitation on itemized deductions for taxpayers with AGI of more than \$100,000 (\$50,000 if married filing separately).

Line 24. — Use this line to report moving expenses incurred before 1994, but reimbursed by your employer in 1994.

Lines 25a and 25b. — Only the expenses listed below can be deducted:

- Contributions to candidates for public office. You may deduct political contributions not in excess of \$100 in the year (up to \$200 on a joint return) to a central or county committee of a political party whose candidate shall have qualified by law to be voted for at the immediately previous general election. In addition, you may deduct contributions to candidates who have agreed to abide by the campaign expenditure limits set by law. The contribution is deductible in an aggregate amount not to exceed \$500 in any year (up to \$1,000 on a joint return); however, not more than \$100 (\$200 on a joint return) of the total contribution to any single candidate shall be deductible.
- Gambling losses to the extent of gambling winnings. Report gambling winnings on Form N-15, line 20.
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if more than \$3,000. See federal Publication 525.
- Impairment-related work expenses of a handicapped person.

List the type and amount of each expense. Enter one total in the amount space for lines 25a and 25b. For more information on these expenses, get federal Publication 529.

Use line 25a if the expenses incurred can be directly associated with activities or properties producing income which is taxable to Hawaii.

Use line 25b if the expenses cannot be linked to any specific activities.

Expenses You MAY NOT Deduct

Some expenses are not deductible at all. Examples are:

- Political contributions (except certain contributions to candidates for public office as noted above).
- Personal legal expenses.
- Lost or misplaced cash or property (but see casualty and theft losses).
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Expenses of:
 - a. Travel as a form of education.

- b. Attending a seminar, convention, or similar meeting unless it is related to your employment.
- c. Adopting a child, including a child with special needs.

- Fines and penalties.
- Expenses of producing tax-exempt income.

Instructions for Schedule B — Interest and Dividend Income

Purpose

Use Schedule B to list interest and dividend income. You must use Schedule B if you are filing Form N-15 and:

- Had more than \$400 in interest, or
- Had more than \$400 in dividends.

Please follow the instructions.

Note: You must report all taxable interest and dividends on Form N-15, even if you are not required to complete Schedule B.

Part I

Interest Income

Nonresidents must use Schedule B, Form N-15 to report interest income derived from Hawaii business or properties located in Hawaii, if the interest earned is more than \$400.

To see what interest income you must report, read the instructions for Form N-15, line 8 on page 9.

The payer will usually send you a federal Form 1099-INT or similar statement showing interest you must report. If the total taxable interest from all payers is over \$400, fill in Part I of this schedule.

Note: Interest on bank deposits, notes, corporate bonds; and federal, Hawaii State and Municipal bonds are not subject to Hawaii income tax because the nonresident's permanent residence or domicile is NOT Hawaii.

Line 1

Report on line 1 the interest portion of any payments you received from an individual, based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property located in Hawaii. Show the payer's name and the amount.

Line 2

Report on line 2 ALL Hawaii taxable interest that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.

Nominee and Accrued Interest and Tax-Exempt Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller.

Note: If you received interest as a nominee for the actual owner, give that person a federal Form 1099-INT.

Include on line 2 interest you received as a nominee in your name for someone else or as a purchaser of a bond with accrued interest. If you received a federal Form 1099-INT for tax-exempt interest, such as from municipal bonds, also include this interest on line 2. Several lines above line 3, put a subtotal of all interest income listed on line 2. Below this subtotal, write "Nominee Distribution" or "Accrued Interest" as appropriate and show the interest amounts you paid to others. If you received a federal Form 1099-INT for tax-exempt interest, write "Tax-Exempt Interest" on the line below the subtotal and show the amount of

this interest. Subtract these amounts from the subtotal and write the result plus the amount from line 1 on line 3.

If you are reporting Original Issue Discount (OID) in an amount less than the amount shown on federal Form 1099-OID, follow the above rules for nominee interest to see how to report the OID on Schedule B.

Line 3

Add lines 1 and 2. Enter the total on line 3 and on Form N-15, line 8.

Part II

Dividend Income

Generally, the source of income from an intangible asset (e.g. stock of a corporation) is the owner's place of permanent residence or domicile. This means that a nonresident owning intangible assets and receiving income therefrom, even though the dividend may have been paid by a Hawaii corporation, would not be subject to Hawaii income tax because the nonresident's permanent residence or domicile is not Hawaii. However, such income would be subject to Hawaii income tax if the intangible asset acquired a situs in Hawaii, such as dividends received by an S Corporation situated in Hawaii, which are passed through to the S Corporation's nonresident shareholders.

To see what dividend income you must report, read the instructions for Form N-15, line 9 on page 9.

The payer will usually send you a federal Form 1099-DIV or similar statement showing dividends you must report. If the total dividends are over \$400, fill in Part II of this schedule.

Line 4

Report all of your Hawaii taxable dividend income, including capital gain distributions, nontaxable distributions, etc., on this line. Include cash and the value of stock, property, or merchandise you received as a dividend.

List the names of each payer. If the securities are held in a brokerage account, list the name of the brokerage firm as the payer. Next to each name, show the amount of income. Be sure to include capital gain and nontaxable distributions on this line. They will be deducted on lines 6 and 7.

Nominees. List on line 4 all dividends you received, including dividends you received as a nominee, even if you later distributed some or all of this income to others. Several lines above line 5, enter a subtotal of all dividend income. Below this subtotal write "Nominee Distribution" and enter the amounts distributed. Subtract these distributions from the subtotal and enter the result on line 5.

Note: If you received dividends as a nominee for the actual owner, give that person a federal Form 1099-DIV.

Line 5

Add the amounts you listed on line 4 except as noted above in *Nominees*. Enter the total on this line.

Line 6

If you listed any capital gain distributions on line 4, add those amounts. Enter the total on this line.

Line 7

Enter the total of your nontaxable distributions on this line.

Line 8

Add lines 6 and 7. Enter the total on this line.

Line 9

Line 5 minus line 8. Enter the result on line 9 and on Form N-15, line 9.

Instructions for Schedule C — Profit or (Loss) From Business or Profession

Note: In place of Hawaii's Schedule C, you may use a copy of your federal Schedule C or federal Schedule C-EZ with the addition of your Hawaii General Excise ID Number.

Nonresidents must report income derived from business with situs in Hawaii.

Purpose

If you operated a business or practiced a profession as a sole proprietorship, complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use Schedule F.

For expenses that are part business and part personal, deduct only the business part. For example, if only half of your car usage was for business, deduct only half of the cost of operating the car.

Deduct interest, taxes, and casualty losses not related to your business as itemized deductions on Schedule A.

Report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property on Schedule D-1, Sales of Business Property.

Use Form N-184, Casualties and Thefts, to report a casualty or theft involving trade or business, or income-producing property.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, annuities, and pensions. For more information, see instructions for Form HW-3, Employer's Return and Reconciliation of Hawaii Income Tax Withheld from Wages, and N-196, Hawaii Annual Information Return.

Item A

Main Business Activity and Product

Report the business activity that accounted for the most income included in Schedule C, Part I, line 1. Give the general field as well as the product or service. For example, "wholesale - groceries" or "retail - hardware."

Item C

Hawaii G.E./Use Tax Identification Number

Enter your Hawaii General Excise/Use Tax Identification Number.

Item D

Business Address

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

Item E

Accounting Method

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method, accrual method, or in some cases, the completed contract or percentage of completion method. The method used must clearly reflect your income.

If you want to change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Income Tax Assessor.

If you use the cash method, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the accrual method, report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Item F

Valuation Methods

Your inventories can be valued at:

- cost
- cost or market value, whichever is lower, or
- any other method approved by the Income Tax Assessor.

Item I

Material Participation

For purposes of the passive activity rules, you materially participated in the operation of this trade or business activity during 1994 if you meet any of the following tests:

1. You participated in the activity for more than 500 hours during the tax year.
2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who do not own any interest in the activity) for the tax year.
3. You participated in the activity for more than 100 hours during the tax year, and you participated at least as much as any other person for the tax year. This includes individuals who do not own any interest in the activity.
4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities during the year for more than 500 hours. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you do not materially participate in the activity under tests 1, 2, 3, 5, 6, or 7.
5. You materially participated in the activity for any five (whether or not consecutive) of the prior ten tax years.
6. The activity is a personal service activity in which you materially participated for any three (whether or not consecutive) prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, or any other trade or business in which capital is not a material income-producing factor.
7. Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis during the tax year. You do not materially participate in an activity under this test, however, if—

- You participated in the activity for 100 hours or less during the tax year, or
- Any person besides yourself received compensation for performing management services in connection with the activity, or
- Any individual besides yourself spent more hours during the tax year than you spent performing management services in connection with the activity (regardless of whether the individual was compensated for the management services).

If you meet any of the above tests, check the "Yes" box.

If you do not meet any of the above tests, check the "No" box. This business is a passive activity. If you have a loss from this business, see *Limit on Losses*, below. If you have a profit from this business activity but have losses from other passive activities or you have prior-year unallowed passive activity losses, see the instructions for federal Form 8582, *Passive Activity Loss Limitations*.

Exception for oil and gas. If you are filing Schedule C to report income and deductions from an oil or gas well in which you own a working interest directly or through an entity that does not limit your liability, check the "Yes" box. The activity of owning the working interest is not a passive activity regardless of your participation in the activity.

Limit on losses. If you checked the "No" box and you have a loss from this business, you must use federal Form 8582 to figure your allowable loss, if any, to enter on Schedule C, line 32. Generally, you can deduct losses from passive activities only to the extent of income from passive activities.

For more details, get federal Publication 925, *Passive Activity and At-Risk Rules*.

Part I Income (Lines 1 through 7)

Line 1

Gross Receipts or Sales

Enter gross receipts or sales from your business.

Installment Sales. If you use the installment method of reporting sales income, please attach a schedule showing separately for 1994 and the three preceding years: gross sales; cost of goods sold; gross profit; percentage of gross profits to gross sales; amounts collected; and gross profits on amounts collected.

Line 2

Returns and Allowances

You should enter on line 2 such items as returned sales, rebates, and allowances from the sales price.

Line 4

Cost of Goods Sold and/or Operations

Cost of Goods Sold. If you are engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year. Enter the amount from Part III, line 41.

Cost of Operations. (Inventories Not an Income-Producing Factor). If the amount on line 4 includes the cost of operations, complete the appropriate lines in Part III.

Line 6

Other Income

Include finance reserve income, scrap sales, amounts recovered from bad debts, interest, and other kinds of miscellaneous income from the business or profession. Attach a separate schedule of this income.

Part II Expenses (Lines 8 through 29)

Line 9

Bad Debts from Sales or Services

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless. Cash method taxpayers normally do not report the income that is due them until they actually receive payment. Therefore, they may not take a bad debt deduction on payments they have not received or cannot collect.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it.

Line 10

Car and Truck Expenses

You can deduct the actual cost of running your car or truck, or take the fixed mileage rate. You must use actual costs if you use more than one car or truck in your business. If you deduct actual cost, show depreciation on line 13.

The fixed rate is figured at 29 cents a mile for each mile of business use in 1994. Add to this amount your parking fees and tolls.

Note: *If you place a car or truck in service after December 31, 1980, and take the fixed mileage rate, you are treated as having elected to exclude this vehicle from ACRS.*

Line 12

Depletion

Enter your total deduction for depletion on this line.

Line 13

Depreciation

You can deduct an amount each year for assets you buy to use in your business. The deduction for depreciation does not apply to stock in trade, inventories, land, and personal assets. You may also choose under IRC section 179 to expense part of the cost of certain depreciable property you bought in 1994 for use in your business. Figure your depreciation deduction, including the IRC section 179 expense deduction, on Form N-164 or federal Form 4562.

The depreciation deduction for cars, including any IRC section 179 deduction, is limited. The allowable amounts are further limited if your business use is less than 100%. If you claim depreciation for any cars or other listed property, you must complete Part III of Form N-164. See the instructions for Form N-164. Also, get federal Publication 534 for more details.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, and the business use percentage of the property decreased to 50% or less during 1994, you may have to recapture excess depreciation, including any IRC section 179 expense deduction. Get Schedule D-1 and its instructions for details.

If you took the capital goods excise tax credit on property that you dispose of before the end of three

full years, the business use percentage decreases, or the property use otherwise changes so that it no longer qualifies, you may have to refigure the credit. See Form N-312 and its instructions for details.

Line 14

Employee Benefit Programs

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 20. Also include here contributions to insurance, health, and welfare programs.

Line 16

Insurance (other than health)

Deduct premiums paid for business insurance on line 16. Deduct on line 14 amounts paid for employee accident and health insurance.

Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability.

For more details, see federal Publication 535.

Lines 17a and 17b

Interest on Business Indebtedness

Interest Allocation Rules. The tax treatment of interest expense differs depending on its type. For example, personal interest, home mortgage interest, and investment interest are all treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted on the right place of your return (or capitalized) and gets the proper tax treatment. These rules could affect how much interest you deduct on Schedule C.

Generally, you allocate interest expense by tracing how the proceeds of the loan are used.

If you paid interest for years after 1994, deduct only the part you paid for 1994.

Don't take a deduction on Schedule C for interest you paid or accrued on debts from buying or carrying investment property. Deduct this interest on Schedule A.

Line 20

Pension and Profit-Sharing Plans

You should enter the amount you claim as a deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form N-15, line 25, instead of on Schedule C, line 20.

Line 22

Repairs and Maintenance

You can deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property. They are chargeable to capital accounts or to depreciation reserve, depending on how depreciation is charged on your books.

Line 24

Taxes and Licenses

You can deduct the following taxes:

- Real estate and personal property taxes on business assets.

- Social security taxes paid to match required withholding from your employees' wages. Also, State and Federal unemployment taxes paid.
- General excise/use taxes paid.

Do not deduct:

- Federal income taxes.
- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal property.
- State and local sales taxes (treat instead as part of the cost of the property).
- Other taxes not related to your business.

Note: *Since the one-time \$20 Hawaii General Excise Tax license fee covers an indefinite period of time, it is only deductible in the year the general excise tax license is cancelled.*

Lines 25a through 25d

Travel and Entertainment

You may deduct, in general, only 50% of your business-related meal and entertainment expenses, including any meals and entertainment expenses incurred while traveling away from home.

You must show that the meal or entertainment expense is directly related to the active conduct of your trade or business or, in the case of a meal that precedes or follows a substantial and bona fide discussion, that the discussion was associated with the active conduct of your trade or business. No deduction will be allowed if you (or your employee) are not present at the meal or entertainment. The deduction for these expenses will not be allowed if they are lavish or extravagant under the circumstances.

See instructions for federal Form 1040 for more information.

Line 26

Utilities

Deduct only utility expenses incurred for your trade or business.

If you use your home phone for business, do not deduct the base rate (including taxes) of the first telephone line into your residence. It is a nondeductible personal expense.

Line 27

Wages

Enter on line 27 the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year, less any jobs tax credit claimed on Form N-884. Do not include any amount paid to yourself. If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses that you claimed elsewhere.

Line 28

Other Expenses

Enter the amount from Part V, line 47. Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses.

Any loss from this activity that was not allowed as a deduction last year because of the "at risk" provisions, is treated as a deduction allocable to this activity in 1994. If any loss from this activity was not allowed last year because of the passive loss limitations, see the Instructions for federal Form 8582.

Line 31

Expenses for Business Use of Your Home

You may be able to deduct certain expenses for business use of your home, subject to limitations. Generally, any amount not allowed as a deduction for 1994 because of the limitations can be carried over to 1995. You must attach federal Form 8829, Expenses for Business Use of Your Home, if you claim this deduction.

For details, see the instructions for federal Form 8829, and see federal Publication 587, Business Use of Your Home.

Line 32

Net Profit or (Loss)

If you have a profit, stop here. Enter the amount here and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total on Form N-12, line 12, Form N-15, line 12, or Form N-40, line 5.

If you have a loss, go on to line 33 before entering your loss on line 32.

Lines 33a and 33b

"At-Risk" Rules

Deductions for losses by persons who are engaged in a trade or business including real estate (other than mineral property) or an activity for the production of income are limited to the amount they have "at risk" in the business. You are "at risk" for an activity for the cash and adjusted basis of property you contributed to the activity and any amount borrowed for use in the activity for which you are personally liable. You are also "at risk" to the extent of the net fair market value of your own property (not used in the activity) that secures borrowed amounts for which you are not liable.

Check **box 33b**, if you have amounts for which you are not at risk for this business, such as the following:

1. nonrecourse loans used to finance your business, to acquire property used in your business, or to acquire your interest in the business, unless they are secured by property not used in your business or by certain real property used in an activity of holding real property; or
2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or
3. loans from someone who has an interest in your business, other than as a creditor, or who is related, under IRC section 465(b)(3)(C), to a person (other than yourself) having such an interest; or
4. amounts contributed to your business, or to your interest in the business that is covered by:
 - nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or
 - loans from a person described in 3 above.

If you do not have any of these kinds of amounts for which you are not at risk in this business, check **box 33a** and enter your loss on line 32 unless you answered "No" to Question I. In this case, you must complete federal Form 8582 to figure your allowable loss to enter on line 32.

If you checked **box 33b**, get federal Form 6198 to determine the amount of your deductible loss and enter that amount on line 32. But if you answered "No" to Question I, your loss may be further limited. See federal Form 8582. If your at-risk amount is zero or less, enter zero on line 32. Be sure to attach federal Form 6198 to your return. If you checked box 33b and you fail to attach federal Form 6198, processing of your tax return may be delayed.

If, in addition to the amount that you report on Schedule C, you dispose of an asset used in an activity to which the at-risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for federal Form 6198.

Any loss from this business not allowed for 1994 because of the at-risk rules is treated as a deduction allocable to the business in 1995.

Part IV

Information on Your

Vehicle

(Lines 42 through 46b)

Part IV has been added to Schedule C to simplify the reporting of business vehicle information for sole proprietors by eliminating the requirement to file Form N-164 for this purpose. You can use Part IV instead of Form N-164 if you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated. However, if Form N-164 must be filed for any other reason, you must continue to use Part V of Form N-164 to report vehicle information.

Instructions for

Schedule D —

Capital Gains and Losses

Nonresidents must report capital gains or losses on the disposition of capital assets with situs in Hawaii.

Purpose

Use Schedule D (Form N-12) to:

- Report a sale of a capital asset.
- Report gains from involuntary conversions of capital assets not held for business or profit.

In the following cases you have to use Schedule D-1, Sales of Business Property, instead of Schedule D:

- The sale, exchange, or involuntary conversion (other than casualty or theft) of business property, certain depreciable and amortizable property, certain oil, gas and geothermal property, and IRC section 126 property.
- The involuntary conversion (other than casualty or theft) of capital assets held for business or profit.
- The disposition of other noncapital assets not mentioned above.

If property is involuntarily converted because of a casualty or theft, use Form N-184, Casualties and Thefts.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks and bonds are capital assets.

A transfer of patent rights is generally considered a sale or exchange of a capital asset held for more than one year.

A nonbusiness bad debt must be treated as a short-term capital loss.

A capital asset as defined by law is any property held by a taxpayer except:

- a. Stock in trade or other property included in inventory or held for sale to customers.
- b. Accounts or notes receivable you received for services in the ordinary course of your trade or business or from the sale of any property described in a. or for services you performed as an employee.
- c. Depreciable property used in your trade or business even if it was fully depreciated.

- d. Real property (real estate) used in your trade or business.
- e. A copyright, literary, musical or artistic composition, letter, memorandum, or similar property,
 1. created by your personal efforts, or
 2. prepared or produced for you (in the case of a letter, memorandum, or similar property), or
 3. that you received from a taxpayer mentioned in 1 or 2, in a way (such as by gift) that entitled you to the basis of the previous owner.
- f. U.S. Government publications (including the Congressional Record) that you received from the government other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way if your basis is determined by reference to the previous owner.

Short-Term or Long-Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for long-term capital gains and losses is more than 1 year. The holding period for short-term capital gains and losses is 1 year or less.

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it. Use the trade dates for date acquired and date sold for stocks and bonds on an exchange or over-the-counter market.

Limits on Capital Losses

The limit on capital losses that can be applied against other income after offsetting capital gains is \$3,000. If you are married and filing separately, the limit is \$1,500.

Unused capital losses are carried over to later years until fully used. Your capital loss carryover is computed on Schedule D.

The amount of your capital loss carryover is the amount of your capital loss that exceeds the lesser of:

- (1) Your allowable capital loss deduction for the year, or
- (2) Your taxable income increased by your allowable capital loss deduction for the year and your deduction for personal exemptions.

If your deductions exceed your gross income for the tax year, use your negative taxable income in computing the amount in item (2).

Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property directly or indirectly between any of the following:

- Members of a family.
- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.
- An individual and a tax-exempt organization controlled by the individual or the individual's family.
- A partnership and a corporation if the same taxpayers own directly or indirectly more than 50% of the capital interest, or profits interest, in the partnership and corporation.

If you sell or otherwise dispose of (1) an asset used in an activity to which the "at risk" rules apply or (2) any part of your interest in an activity to which the "at risk" rules apply (see IRC section 465), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

Items for Special Treatment and Special Cases

The following items may require a special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness if an original issue discount is a factor.
- Gain on the sale of qualified reinvested dividends from a qualified public utility.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Distributions received from an employee pension, profit-sharing, or stock bonus plan, (Please see Form N-152, Special 5-Year Averaging Method.)
- Gain on the sale of depreciable property between husband and wife or between shareholder and a controlled corporation treated as ordinary gain.
- Gain on disposition of stock in a Domestic International Sales Corporation.
- Gain or loss on options to buy or sell, including closing transactions.
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.
- Transfer of property to a partnership which would be treated as an investment company if the partnership was incorporated.

Transfer of Appreciated Property to a Political Organization

If you transfer property to a political organization when the fair market value of the property is more than your adjusted basis, treat the transaction as a property sale on the transfer date. Report the fair market value of the property at the time of the transfer as the sales price. Ordinary income or capital gains provisions apply as if a sale took place.

Exchange of Like-Kind Property

Report the exchange of "like-kind" property on federal Form 8824, Like-Kind Exchanges. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D Part I or Part II. Loss from the sale or exchange of this property is not deductible.

Small Business Stock

Subject to limitations, you may deduct the loss on the sale, exchange, or worthlessness of Small Business (IRC section 1244) stock as an ordinary loss on Schedule D-1. However, gains are reported as capital gains on Schedule D.

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income.

Sale of Your Home

Use Form N-103 to determine the gain or loss from the sale of your main home whether or not you bought another one.

Report a taxable gain from the sale of your main home on Schedule D, line 4 or line 12. A loss from such sale is not deductible.

Tax on a portion or all of the gain from the sale of your principal residence may be deferred if:

- (1) within 24 months after or before the sale, you purchase another principal residence and use it as such; or
- (2) before the sale or within 24 months after the sale, you begin construction of a new principal residence and use it as such not later than two years after the sale.

If you sold your principal residence after attaining the age of 55, you may exclude from gross income, on a one-time elective basis, \$125,000 of gain (\$62,500 if you are married filing separately) from the sale or exchange of your principal residence after July 20, 1981. The exclusion is available only if you owned and used it as your principal residence for at least 3 out of 5 years which precede the sale.

Contact your nearest taxation district office for more details or to obtain Form N-103 which is used to report the sale or exchange or to figure your new basis.

Note: *The deferral of the gain from the sale on your personal residence will not apply if your new residence is located outside of Hawaii.*

Long-term Capital Gains from Regulated Investment Companies

Include in income as a long-term capital gain the amount which constitutes your share of the undistributed capital gains of a regulated investment company. You are entitled to a credit of 4 percent of this amount provided the regulated investment company has paid to the State of Hawaii the 4 percent tax. This credit should be claimed on Form N-15, page 2, line 43g. The remaining 96 percent should be added to the basis of your stock.

Installment Sales

If you sold property at a gain, and are to receive any payment in a tax year after the year of sale, you must use the installment method and Form N-171, Computation of Installment Sale Income, unless you elect not to. Also use Form N-171, if you received a payment in 1994 from a sale made in an earlier year on the installment method.

You may not use the installment method to report income from the sale of stock or securities traded on an established securities exchange. All payments to be received under this type of sale are treated as received in the year of sale.

If you want to elect out of the installment method, you must report the full amount of the sale on Schedule D on a timely filed return (including extensions).

Gains and Losses from Section 1256 Contracts and Straddles

For information on how to report gains and losses from regulated futures contracts and straddles, see Schedule D-3, Gains and Losses from Section 1256 Contracts and Straddles.

Capital Gain Distributions

Enter on line 14 capital gain distributions paid to you during the year as a long-term capital gain, regardless of how long you held your investment. See federal Publication 550 for more details.

Specific Instructions

Parts I and II

Column (b)

Date Acquired

Enter in this column the date the asset was acquired. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date the stock or property was delivered to the broker or lender to close the short sale.

If you disposed of property that you acquired by inheritance, report it on line 9 and write “**INHERITED**” in column (b) instead of the date you acquired the property.

If you sold a block of stock (or similar property) that was acquired through several different purchases, you may report the sale on one line and write “**VARIOUS**” in column (b). However, you still must report the short-term gain or loss in Part I and the long-term gain or loss on the sale in Part II.

Column (c)

Date Sold

Enter in this column the date the asset was sold. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you sold the stock or property you borrowed to open the short sale transaction.

Column (d)

Sales Price

Enter in this column either the gross sales price or the net sales price from the sale. If you sold stocks or bonds and you received a federal Form 1099-B or similar statement from your broker that shows gross sales price, enter that amount in column (d). However, if the broker advised you that gross proceeds (gross sales price) less commissions and option premiums were reported to IRS, enter that net amount in column (d). If the net amount is entered in this column, do not include the commissions and option premiums in column (e).

Caution: Be sure to add all sales price entries on lines 1 and 9, column (d), to amounts on lines 2 and 10, column (d). Enter the totals on lines 3 and 11.

Column (e)

Cost or Other Basis, As Adjusted

In general, the cost or adjusted basis is the cost of the property plus purchase commissions, improvements, minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift, tax-free exchange, involuntary conversion, or “wash sale” of stock, you may not be able to use the actual cash cost as the basis. If you do not use cash cost, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. This includes nontaxable dividends from utility company stock and mutual funds. Also adjust your basis for any stock splits.

The basis of property acquired by gift made before 1977, generally is the basis of the property in the hands of the donor plus any gift taxes paid on the gift. For gifts made after 1976, only the gift tax on the appreciation in value to the time of the gift is added to the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the date of death.

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums before making an entry in column (e), unless you reported net sales price in column (d).

Lines 1 and 9

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Forms N-103, N-171, N-184, Schedules D-1, D-3, or federal Form 8824). Include these transactions even if you did not receive a federal Form 1099-B or 1099-S (or substitute statement) for the transaction. You can use abbreviations to describe the property as long as the abbreviations are based on the descriptions of the property as shown on federal Form 1099-B or 1099-S (or substitute statement).

Use lines 45 and 47 on page 2 of Schedule D if you need more space to list transactions for lines 1 and 9. You may use as many copies of page 2 of Schedule D as you need. Enter on Schedule D, lines 2 and 10, columns (d), (f), and (g) the combined totals of all your copies of page 2 of Schedule D.

Caution: Add the following amounts reported to you for 1994 on federal Forms 1099-B and 1099-S (or on substitute statements):

1. Proceeds from transactions involving stocks, bonds, and other securities, and
2. Gross proceeds from real estate transactions not reported on another form or schedule.

If this total is more than the total of lines 3 and 11, attach a statement explaining the difference.

Part IV

Your capital gains are taxed at a maximum rate of 7.25% even if you have ordinary income that is taxed at a higher rate. To qualify for the 7.25% maximum tax rate on capital gains, you must:

1. Have a net long-term capital gain that is more than any net short-term capital loss you may have (this difference is your net capital gain), and
2. Have taxable income that is subject to a tax rate higher than 7.25%.

If both lines 17 and 18 of Schedule D are net gains and your taxable income, as shown on line 37 of Form N-15, is subject to a tax rate higher than 7.25%, you can use Part IV to figure your tax.

Instructions for Schedule D-1 — Sales of Business Property

In general, use Schedule D-1, Sales of Business Property, to report (1) the sale, exchange, or involuntary conversion (other than casualty or theft) of trade or business property, certain depreciable and amortizable property; (2) the involuntary conversion (other than casualty or theft) of capital assets held for business or profit; and (3) the disposition of other noncapital assets not mentioned above.

FOR DETAILED INFORMATION SEE SEPARATE INSTRUCTIONS FOR SCHEDULE D-1.

Instructions for Schedule E — Supplemental Income

Note: In place of Hawaii's Schedule E, you may use a copy of your federal Schedule E with the addition of your Hawaii General Excise ID Number where appropriate.

For limitations on losses from passive activities, see instructions for federal Form 1040. You may need to file federal Form 8582 with your Hawaii return.

Purpose

Use Schedule E to report income or loss from rents, royalties, partnerships, S corporations, estates, trusts, and REMICs with tax situs in Hawaii.

Note: If you attach your own schedule(s) to report income or loss from any of these sources, use the same format as on Schedule E. Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in (parentheses).

At-Risk Rules (Parts I and II)

If you have (1) a loss from any activity that you, your partnership, or S corporation engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1987, and (2) amounts for which you are not at risk in the activity, use federal Form 6198, At-Risk Limitations, to determine the allowable loss to report on Schedule E.

For more details, get federal Publication 925, Passive Activity and At-Risk Rules.

The at-risk rules may apply to an individual, a member of a partnership or joint venture, shareholder in an S corporation, or lessor of certain property. Generally, the amount you have at risk limits the loss you can deduct for any tax year.

If, in addition to the amount that you report on Schedule E, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for federal Form 6198.

Any loss from an activity not allowed for the tax year is treated as a deduction allocable to the activity in the next tax year.

Passive Activity Loss Rules (Parts I - III)

The passive activity loss rules may limit the amount of losses you can deduct. They apply to losses in Parts I, II, and III of Schedule E.

You can generally deduct losses from passive activities only to the extent of income from passive activities. Exceptions apply to some activities, such as rental real estate (see the instructions for line 3).

Losses from passive activities may be first subject to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity rules.

A passive activity is any business activity in which you DO NOT materially participate and any rental activity regardless of participation. See the instructions for federal Form 8582 to determine whether you materially participated in an activity. If you are a limited partner, you are generally not treated as having materially participated in the partnership's activity for the year.

The rental of real or personal property is generally a rental activity, but exceptions apply to this rule. If your rental of property is not a rental activity, you must determine whether it is a trade or business activity, and, if so, whether you materially participated in the activity for the tax year. See the instructions for federal Form 8582 for the material participation tests and the definition of “rental activity.” See federal Publication 925 for special rules that apply to rentals of: (1) substantially nondepreciable property, (2) property incidental to development activities, and (3) property to activities in which you materially participate.

The rental of your home that you also used for personal purposes is not a passive activity. See *Renting Out a Dwelling Unit That Is Also Used For Personal Purposes* on page 24.

A working interest in an oil or gas well that you hold directly or through an entity that does not limit your

liability is not a passive activity even if you do not materially participate.

Royalty income not derived in the ordinary course of a trade or business reported on Schedule E is generally not considered income from a passive activity.

For more information on passive activities, see the instructions for federal Form 8582 and federal Publication 925.

Part I Income or Loss From Rentals and Royalties

Use Part I to report rental and royalty income and expenses. If you own a part interest in rental property, you may report your part on Schedule E. See the instructions for lines 4 and 5 to determine when rental and royalty income should be reported on Schedule C instead.

If you have more than three rental or royalty properties, complete and attach as many Schedules E as you need to list them. Complete lines 1, 2, and 3 for each property. But fill in column D only on one Schedule E. The figures in column D on that Schedule E should be the combined totals of all the schedules.

If you also need to use page 2 of Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

Lines 1 through 3

Line 1. — Show the kind of property you rented out, for example, “brick duplex.” Give the street address, city or town, and state. You do not have to give the ZIP code.

Line 2. — Renting Out a Dwelling Unit That Is Also Used For Personal Purposes. — If you rented out a dwelling unit and also used it as a home during the year, you may not be able to deduct all the expenses for the rental part. A dwelling unit (unit) means a house, apartment, condominium, mobile home, boat, or like property. Check the “Yes” or “No” box on line 2, whichever applies, to show whether you or your family used the property for personal purposes in 1994.

If the property is not a dwelling unit, check “No.” If the property is a dwelling unit, check “Yes” if you or your family used the unit for personal use more than the greater of:

1. 14 days, or
2. 10% of the total days it was rented to others at a fair rental price.

What is personal use? A day of personal use is any day, or part of a day, that the unit was used by:

- you for personal purposes.
- any other person for personal purposes, if that person owns part of the unit (unless rented to that person under a “shared equity” financing agreement).
- anyone in your family or in the family of someone else who owns part of the unit. The day is not treated as personal if the unit is rented at a fair rental price to that person as his or her main home.
- anyone under an agreement that lets you use some other unit.
- anyone who pays less than a fair rental price for the unit.

If you checked “No,” you can deduct all your expenses for the rental part, subject to the at-risk and passive activity loss rules.

If you checked “Yes” and rented the unit out for less than 15 days, you may not deduct any rental expenses. But if you itemize deductions on Schedule A, you may deduct interest, taxes, and casualty losses. You do not have to report the rental income.

If you checked “Yes” and rented the unit out for at least 15 days, you may not be able to deduct all your

rental expenses. You can deduct your mortgage interest, real estate taxes, and casualty losses for the rental part on Schedule E. You can also deduct your other rental expenses that are not related to your use of the unit as a home, such as advertising expenses and realtors’ fees. If any income is left after deducting these expenses, you can then deduct other expenses. But you cannot deduct more than the income that is left. Carry amounts you cannot deduct to 1995. See federal Publication 527, Residential Rental Property (Including Rental of Vacation Homes), for more details. Also, get federal Publication 545, Interest Expense, to see how much interest you can deduct.

Line 3. — Rental Real Estate Properties with Active Participation. — A rental real estate activity is generally a passive activity subject to the limitation on losses from passive activities. See the instructions for line 24 on page 25 and the *Passive Activity Loss Rules* on page 23 for more details. However, a special rule applies if you actively participated in rental real estate activities and had losses from them. In general, you may be able to deduct up to \$25,000 in losses from all rental real estate activities in which you actively participated. However, other amounts apply if you are married filing separately.

Check the “Yes” or “No” box on line 3, whichever applies, to indicate whether you actively participated in 1994 in each rental real estate activity listed on line 1.

Active Participation. The active participation requirement can be met without regular, continuous, and substantial involvement in operations. But you must have participated in making management decisions or arranging for others to provide services (such as repairs), in a significant and bona fide sense. Management decisions that are relevant in this context include approving new tenants, deciding on rental terms, approving capital or repair expenditures, and other similar decisions.

You are not considered to actively participate if, at any time during the tax year, your interest (including your spouse’s interest in the activity) was less than 10% (by value) of all interests in the activity.

For more information, see the instructions for federal Form 8582, Passive Activity Loss Limitations, and federal Publication 925, Passive Activity and At-Risk Rules.

Line 4

If you were not in the real estate sales business but received rent from property you own or control, report it on line 4. Include room and other space rentals. If you received services or property instead of money as rent, report its fair market value. If you received farm rental income, report it on federal Form 4835, Farm Rental Income and Expenses. See *Rental Income From Farm Production or Crop Shares*, below.

If you provided significant services to the renter or sold real estate as a business, do not report the income on line 4. Instead, report it on Schedule C.

Rental Income From Farm Production or Crop Shares. Report farm rental income and expenses on federal Form 4835 if (1) you received rental income based on crops or livestock produced by the tenant, and (2) you did not manage or operate the farm to any great extent.

Note: A loss from this kind of activity may be subject to the passive activity loss rules. See federal Publication 925 for more information.

If you use federal Form 4835, enter on line 28 of Schedule E the net farm rental income or loss from federal Form 4835.

Line 5

Report on line 5 royalties from oil, gas, or mineral properties (not including operating oil, gas, or mineral interests); copyrights; and patents. If you received \$10 or more in royalties, by January 31, 1995, you should receive a federal Form 1099-MISC, or similar

statement, showing them. If you are in business as a self-employed writer, inventor, artist, etc., report your income and expenses on Schedule C. You may be able to treat amounts received as “royalties” for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For details, see federal Publication 544, Sales and Other Dispositions of Assets.

If state or local taxes were withheld from oil or gas payments you received, enter on line 5 the gross amount of royalty. Include the taxes withheld by the producer on line 17.

Lines 6 through 22

Enter your rental and royalty expenses for each property in the appropriate columns. You can deduct an amount for the depreciation of rental property and all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agents’ commissions.

Do not deduct the value of your own labor, capital investments, or capital improvements.

Renting Out Part of Your Home. If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part.

Expenses To Rehabilitate Low-Income Housing. You may amortize part of the costs you paid or incurred to rehabilitate qualified low-income housing if the rehabilitation began before January 1, 1988. If it began after 1987, you may be able to take a tax credit. See Form N-586, Tax Credit For Low-Income Housing.

Lines 13 and 14

In general, to determine the interest expense allocable to your rental activities, you will have to keep records to show how the proceeds of each debt were used. Specific tracing rules apply for allocating debt proceeds and repayment of the debt. See federal Publication 545 for details.

If you have a mortgage on your rental property, enter on line 13 the interest you paid for 1994 to banks or other financial institutions. Be sure to fill in column D.

Note: If the recipient was not a financial institution or you did not receive a federal Form 1098, Mortgage Interest Statement, from the recipient, report your deductible mortgage interest on line 14.

Line 18

The base rate (including taxes) for local telephone service for the first telephone line to any residence is a personal expense and is not deductible.

Line 21

You may take a depreciation deduction each year for rental property. The deduction does not apply to land and personal-use property.

If you placed any property in service after 1980, complete and attach Form N-164, Depreciation and Amortization. Enter on line 21 the amount from Form N-164, Part I. If you are depreciating only property placed in service before 1981, you do not need Form N-164. Figure depreciation on a worksheet from your own books and records. Enter the total depreciation on line 21. You do not need to attach the worksheet to your return.

Line 23

If you have a loss from the activity, you may be subject to the *At-Risk Rules* explained on page 23. If you are, you must file federal Form 6198, At-Risk Limitations, to figure the loss to enter on line 23. If you must file federal Form 6198 and the deductible loss from line 21 of that form is less than the loss shown on line 23 of Schedule E, enter the amount from federal Form 6198 in the appropriate column(s) on line 23 of Schedule E. In the space to the left of line 23, write “Federal Form 6198.”

Line 24

Enter on line 24 the amount of your deductible rental loss. If your rental loss is from a passive activity, your loss may be further limited under the *Passive Activity Loss Rules* explained on page 23.

If the loss is from a passive activity, you generally need to complete federal Form 8582 to figure the amount of loss, if any, after applying the passive activity loss limits. But you do not have to complete federal Form 8582 to figure the amount of loss you can deduct on line 24 if you meet ALL 3 of the following conditions:

1. Rental real estate activities are your only passive activities; and
2. You do not have any prior year unallowed losses from any passive activities; and
3. All of the following apply if you have an overall net loss from these activities:
 - You actively participated in all of the rental real estate activities (see line 3 above for details on active participation); and
 - Your total losses from these activities are \$25,000 or less (\$12,500 or less if married filing separately and you lived apart from your spouse all year); and
 - You have no current or prior year unallowed credits from passive activities; and
 - Your modified adjusted gross income, defined below, is \$100,000 or less (\$50,000 or less if married filing separately and you lived apart from your spouse all year).

If you meet ALL 3 of the conditions listed above, your rental real estate losses are not limited by the passive activity rules. Enter the amount of the loss from line 23 on line 24. Write at the top of Schedule E, "Federal Form 8582 not required because of \$25,000 special allowance."

If you do not meet ALL 3 of the conditions listed above, you MUST complete and attach federal Form 8582.

Modified adjusted gross income is your adjusted gross income from federal Form 1040, line 31, without taking into account any passive activity loss, any taxable social security or equivalent railroad retirement benefits, or any deductible contributions to an IRA or certain other qualified retirement plans under IRC section 219.

Caution: *Passive activity income does not include income from renting: (1) substantially non-depreciable property, (2) property incidental to a development activity, and (3) property to a trade or business activity in which you materially participate. See federal Publication 925 for details.*

Part II

Income or Losses from Partnerships and S Corporations

Partnerships

If you are a member of a partnership or joint venture, include in this part your share of the partnership

income (whether you received it or not) or net loss for the partnership tax year that ends during the year covered by your return. Nonresident partners must report their share of partnership income or net loss from Hawaii sources. You should receive a Schedule K-1 (Form N-20) from the partnership. Do not attach the schedule to your return. Keep it for your records. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items.

If you have a current year loss or a prior year unallowed loss from a partnership, see the *At-Risk Rules* and the *Passive Activity Loss Rules* on page 23.

The maximum you can deduct on your return for recovery property (IRC section 179) is \$17,500. This limit is reduced if the total cost of the IRC section 179 property is more than \$200,000. Your deduction is also limited to the total taxable income from all your trades or businesses.

If you have other partnership items, such as depletion, from a nonpassive activity, show each item on a separate line in Part II. Show unreimbursed partnership expenses from nonpassive activities on a separate line in column (i) of Part II. Unreimbursed expenses that are itemized deductions are entered on Schedule A (Form N-15).

If you have losses or deductions from a prior year that you could not deduct because of the at-risk or basis rules, and the amounts are now deductible, do not combine the prior-year amounts with any current-year amounts to arrive at a net figure to report on Schedule E. Instead, report on separate lines on Schedule E prior-year amounts and current-year amounts.

S Corporations

If you are a shareholder of any S corporation, you should receive a Schedule K-1 (Form N-35) from the S corporation. Do not attach the schedule to your return. Keep it for your records. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items. Report your share of the income (whether you received it or not) or net loss of the corporation on Schedule E in the same manner as the income or loss of a partnership. Nonresident shareholders must report their share of S corporation income or net loss from Hawaii sources.

If you have a current year loss or a prior year unallowed loss from an S corporation, see the *At-Risk Rules* and the *Passive Activity Loss Rules* on page 23.

The maximum you can deduct on your return for recovery property (IRC section 179) is \$17,500. This limit is reduced if the total cost of the IRC section 179 property is more than \$200,000. Your deduction is also limited to the total taxable income from all your trades or businesses.

Distributions of prior-year accumulated earnings and profits of S corporations are dividends and are reported on Schedule B (Form N-15).

As a shareholder in an S corporation, your share of the corporation's aggregate losses and deductions (combined income, losses, and deductions) is limited to the adjusted basis of your corporate stock and any debt the corporation owes you. Any loss or deduction not allowed this year because of the basis limitation may be carried forward and deducted in a later year

subject to the basis limitation for that year. If you are claiming a deduction for your share of an aggregate loss, attach to your return a computation of the adjusted basis of your corporate stock and of any debt the corporation owes you. See federal Publication 589 for more information.

After applying the basis limitation, the deductible amount of your aggregate losses and deductions may be further reduced by the at-risk rules and the passive activity loss rules.

If you have losses or deductions from a prior year that you could not deduct because of the basis, at-risk, or passive activity loss limitations, and the amounts are now deductible, do not combine the prior-year amounts with any current-year amounts to arrive at a net figure to report on Schedule E. Instead, report the prior-year amounts and the current-year amounts on separate lines of Schedule E.

Part III

Income or Losses from Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (even if not received) or loss. You should receive a Schedule K-1 (Form N-40) from the fiduciary. Do not attach that schedule to your return. Keep it for your records. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1.

Part IV

Income or Losses from Real Estate Mortgage Investment Conduits (REMICs)

See instructions for federal Schedule E, Form 1040.

Instructions for

Schedule J —

Annuities, Benefits Under Pension and Profit-Sharing Plans, Death Benefits and Pensions

In General — If you are receiving a Hawaii annuity, you must complete Schedule J and carry the returnable income to Form N-15, page 1, line 16. (See reverse side of Schedule J for more specific instructions.)

**1994
TAX TABLE
AND
TAX RATE SCHEDULES
FOR INDIVIDUALS**

**Tax Table
Must Be Used By
Persons With
Taxable Income
of Less Than
\$100,000**

1994 Hawaii Tax Table

Based on Taxable Income
For persons with taxable
incomes of less than
\$100,000

Example: Mr. & Mrs. Brown are filing a joint return. Their taxable income on line 37 is \$23,270. First, they find the \$23,250 - 23,300 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is \$1,549. This is the tax amount they must write on line 38 of their return.

At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
23,200	23,250	1,860	1,545	1,695
23,250	23,300	1,865	1,549	1,700
23,300	23,350	1,870	1,553	1,705

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
0	25	0	0	0	2,500	2,550	72	51	61	5,000				
25	50	1	1	1	2,550	2,600	75	52	63	5,000	5,050	241	142	195
50	100	2	2	2	2,600	2,650	78	53	66	5,050	5,100	244	145	198
100	150	3	3	3	2,650	2,700	81	54	68	5,100	5,150	248	148	201
150	200	4	4	4	2,700	2,750	84	55	70	5,150	5,200	251	151	204
200	250	5	5	5						5,200	5,250	255	154	207
					2,750	2,800	87	56	72					
250	300	6	6	6	2,800	2,850	90	57	75	5,250	5,300	259	157	210
300	350	7	7	7	2,850	2,900	93	58	77	5,300	5,350	262	160	213
350	400	8	8	8	2,900	2,950	96	59	79	5,350	5,400	266	163	216
400	450	9	9	9	2,950	3,000	99	60	81	5,400	5,450	270	166	219
450	500	10	10	10						5,450	5,500	273	169	222
					3,000									
500	550	11	11	11	3,000	3,050	102	61	84	5,500	5,550	277	172	225
550	600	12	12	12	3,050	3,100	105	63	86	5,550	5,600	281	175	228
600	650	13	13	13	3,100	3,150	108	65	88	5,600	5,650	285	178	232
650	700	14	14	14	3,150	3,200	111	67	90	5,650	5,700	289	181	236
700	750	15	15	15	3,200	3,250	114	69	93	5,700	5,750	293	184	239
					3,250	3,300	117	71	95	5,750	5,800	297	187	243
750	800	16	16	16	3,300	3,350	120	73	97	5,800	5,850	301	190	247
800	850	17	17	17	3,350	3,400	123	75	99	5,850	5,900	305	193	250
850	900	18	18	18	3,400	3,450	126	77	102	5,900	5,950	309	196	254
900	950	19	19	19	3,450	3,500	129	79	104	5,950	6,000	313	199	257
950	1,000	20	20	20										
1,000					3,500	3,550	132	81	106	6,000				
1,000	1,050	21	21	21	3,550	3,600	135	83	109	6,000	6,050	317	202	261
1,050	1,100	22	22	22	3,600	3,650	139	85	112	6,050	6,100	321	205	265
1,100	1,150	23	23	23	3,650	3,700	143	87	115	6,100	6,150	325	208	268
1,150	1,200	24	24	24	3,700	3,750	146	89	118	6,150	6,200	329	211	272
1,200	1,250	25	25	25						6,200	6,250	333	214	276
					3,750	3,800	150	91	121					
1,250	1,300	26	26	26	3,800	3,850	154	93	124	6,250	6,300	337	217	279
1,300	1,350	27	27	27	3,850	3,900	157	95	127	6,300	6,350	341	220	283
1,350	1,400	28	28	28	3,900	3,950	161	97	130	6,350	6,400	345	223	286
1,400	1,450	29	29	29	3,950	4,000	164	99	133	6,400	6,450	349	226	290
1,450	1,500	30	30	30						6,450	6,500	353	229	294
					4,000									
1,500	1,550	31	31	31	4,000	4,050	168	101	136	6,500	6,550	357	232	297
1,550	1,600	33	32	32	4,050	4,100	172	103	139	6,550	6,600	361	235	301
1,600	1,650	35	33	34	4,100	4,150	175	105	142	6,600	6,650	365	238	305
1,650	1,700	37	34	35	4,150	4,200	179	107	145	6,650	6,700	369	241	308
1,700	1,750	39	35	37	4,200	4,250	183	109	148	6,700	6,750	373	244	312
					4,250	4,300	186	111	151					
1,750	1,800	41	36	38	4,300	4,350	190	113	154	6,750	6,800	377	247	315
1,800	1,850	43	37	40	4,350	4,400	193	115	157	6,800	6,850	381	250	319
1,850	1,900	45	38	41	4,400	4,450	197	117	160	6,850	6,900	385	253	323
1,900	1,950	47	39	43	4,450	4,500	201	119	163	6,900	6,950	389	256	326
1,950	2,000	49	40	44						6,950	7,000	393	259	330
					2,000									
2,000	2,050	51	41	46	4,500	4,550	204	121	165					
2,050	2,100	53	42	47	4,550	4,600	208	123	168					
2,100	2,150	55	43	49	4,600	4,650	212	125	171					
2,150	2,200	57	44	50	4,650	4,700	215	127	174					
2,200	2,250	59	45	52	4,700	4,750	219	129	177					
					4,750	4,800	222	131	180					
2,250	2,300	61	46	53	4,800	4,850	226	133	183					
2,300	2,350	63	47	55	4,850	4,900	230	135	186					
2,350	2,400	65	48	56	4,900	4,950	233	137	189					
2,400	2,450	67	49	58	4,950	5,000	237	139	192					
2,450	2,500	69	50	59										

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
7,000					10,000					13,000				
7,000	7,050	397	262	334	10,000	10,050	637	479	551	13,000	13,050	896	712	796
7,050	7,100	401	265	337	10,050	10,100	641	483	555	13,050	13,100	900	716	800
7,100	7,150	405	269	341	10,100	10,150	645	487	558	13,100	13,150	905	720	805
7,150	7,200	409	273	344	10,150	10,200	649	490	562	13,150	13,200	909	724	809
7,200	7,250	413	276	348	10,200	10,250	653	494	566	13,200	13,250	913	728	813
7,250	7,300	417	280	352	10,250	10,300	657	497	569	13,250	13,300	918	732	817
7,300	7,350	421	284	355	10,300	10,350	661	501	573	13,300	13,350	922	736	822
7,350	7,400	425	287	359	10,350	10,400	665	505	576	13,350	13,400	927	740	826
7,400	7,450	429	291	363	10,400	10,450	669	508	580	13,400	13,450	931	744	830
7,450	7,500	433	294	366	10,450	10,500	673	512	584	13,450	13,500	935	748	835
7,500	7,550	437	298	370	10,500	10,550	677	516	587	13,500	13,550	940	752	839
7,550	7,600	441	302	373	10,550	10,600	682	519	591	13,550	13,600	944	756	843
7,600	7,650	445	305	377	10,600	10,650	686	523	595	13,600	13,650	948	760	848
7,650	7,700	449	309	381	10,650	10,700	690	526	598	13,650	13,700	953	764	852
7,700	7,750	453	313	384	10,700	10,750	695	530	602	13,700	13,750	957	768	856
7,750	7,800	457	316	388	10,750	10,800	699	534	605	13,750	13,800	962	772	860
7,800	7,850	461	320	392	10,800	10,850	703	537	609	13,800	13,850	966	776	865
7,850	7,900	465	323	395	10,850	10,900	708	541	613	13,850	13,900	970	780	869
7,900	7,950	469	327	399	10,900	10,950	712	545	616	13,900	13,950	975	784	873
7,950	8,000	473	331	402	10,950	11,000	717	548	620	13,950	14,000	979	788	878
8,000					11,000					14,000				
8,000	8,050	477	334	406	11,000	11,050	721	552	624	14,000	14,050	983	792	882
8,050	8,100	481	338	410	11,050	11,100	725	556	628	14,050	14,100	988	796	886
8,100	8,150	485	342	413	11,100	11,150	730	560	633	14,100	14,150	992	800	891
8,150	8,200	489	345	417	11,150	11,200	734	564	637	14,150	14,200	997	804	895
8,200	8,250	493	349	421	11,200	11,250	738	568	641	14,200	14,250	1,001	808	899
8,250	8,300	497	352	424	11,250	11,300	743	572	645	14,250	14,300	1,005	812	903
8,300	8,350	501	356	428	11,300	11,350	747	576	650	14,300	14,350	1,010	816	908
8,350	8,400	505	360	431	11,350	11,400	752	580	654	14,350	14,400	1,014	820	912
8,400	8,450	509	363	435	11,400	11,450	756	584	658	14,400	14,450	1,018	824	916
8,450	8,500	513	367	439	11,450	11,500	760	588	663	14,450	14,500	1,023	828	921
8,500	8,550	517	371	442	11,500	11,550	765	592	667	14,500	14,550	1,027	832	925
8,550	8,600	521	374	446	11,550	11,600	769	596	671	14,550	14,600	1,032	836	929
8,600	8,650	525	378	450	11,600	11,650	773	600	676	14,600	14,650	1,036	840	934
8,650	8,700	529	381	453	11,650	11,700	778	604	680	14,650	14,700	1,040	844	938
8,700	8,750	533	385	457	11,700	11,750	782	608	684	14,700	14,750	1,045	848	942
8,750	8,800	537	389	460	11,750	11,800	787	612	688	14,750	14,800	1,049	852	946
8,800	8,850	541	392	464	11,800	11,850	791	616	693	14,800	14,850	1,053	856	951
8,850	8,900	545	396	468	11,850	11,900	795	620	697	14,850	14,900	1,058	860	955
8,900	8,950	549	400	471	11,900	11,950	800	624	701	14,900	14,950	1,062	864	959
8,950	9,000	553	403	475	11,950	12,000	804	628	706	14,950	15,000	1,067	868	964
9,000					12,000					15,000				
9,000	9,050	557	407	479	12,000	12,050	808	632	710	15,000	15,050	1,071	872	968
9,050	9,100	561	410	482	12,050	12,100	813	636	714	15,050	15,100	1,075	876	972
9,100	9,150	565	414	486	12,100	12,150	817	640	719	15,100	15,150	1,080	880	977
9,150	9,200	569	418	489	12,150	12,200	822	644	723	15,150	15,200	1,084	884	981
9,200	9,250	573	421	493	12,200	12,250	826	648	727	15,200	15,250	1,088	888	985
9,250	9,300	577	425	497	12,250	12,300	830	652	731	15,250	15,300	1,093	892	989
9,300	9,350	581	429	500	12,300	12,350	835	656	736	15,300	15,350	1,097	896	994
9,350	9,400	585	432	504	12,350	12,400	839	660	740	15,350	15,400	1,102	900	998
9,400	9,450	589	436	508	12,400	12,450	843	664	744	15,400	15,450	1,106	904	1,002
9,450	9,500	593	439	511	12,450	12,500	848	668	749	15,450	15,500	1,110	908	1,007
9,500	9,550	597	443	515	12,500	12,550	852	672	753	15,500	15,550	1,115	912	1,011
9,550	9,600	601	447	518	12,550	12,600	857	676	757	15,550	15,600	1,120	916	1,015
9,600	9,650	605	450	522	12,600	12,650	861	680	762	15,600	15,650	1,124	920	1,020
9,650	9,700	609	454	526	12,650	12,700	865	684	766	15,650	15,700	1,129	924	1,024
9,700	9,750	613	458	529	12,700	12,750	870	688	770	15,700	15,750	1,134	928	1,028
9,750	9,800	617	461	533	12,750	12,800	874	692	774	15,750	15,800	1,139	932	1,032
9,800	9,850	621	465	537	12,800	12,850	878	696	779	15,800	15,850	1,143	936	1,037
9,850	9,900	625	468	540	12,850	12,900	883	700	783	15,850	15,900	1,148	940	1,041
9,900	9,950	629	472	544	12,900	12,950	887	704	787	15,900	15,950	1,153	944	1,045
9,950	10,000	633	476	547	12,950	13,000	892	708	792	15,950	16,000	1,158	948	1,050

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
16,000					19,000					22,000				
16,000	16,050	1,162	952	1,054	19,000	19,050	1,447	1,192	1,312	22,000	22,050	1,740	1,440	1,580
16,050	16,100	1,167	956	1,058	19,050	19,100	1,452	1,196	1,316	22,050	22,100	1,745	1,444	1,585
16,100	16,150	1,172	960	1,063	19,100	19,150	1,457	1,200	1,321	22,100	22,150	1,750	1,448	1,590
16,150	16,200	1,177	964	1,067	19,150	19,200	1,462	1,204	1,325	22,150	22,200	1,755	1,453	1,595
16,200	16,250	1,181	968	1,071	19,200	19,250	1,466	1,208	1,329	22,200	22,250	1,760	1,457	1,599
16,250	16,300	1,186	972	1,075	19,250	19,300	1,471	1,212	1,333	22,250	22,300	1,765	1,462	1,604
16,300	16,350	1,191	976	1,080	19,300	19,350	1,476	1,216	1,338	22,300	22,350	1,770	1,466	1,609
16,350	16,400	1,196	980	1,084	19,350	19,400	1,481	1,220	1,342	22,350	22,400	1,775	1,470	1,614
16,400	16,450	1,200	984	1,088	19,400	19,450	1,485	1,224	1,346	22,400	22,450	1,780	1,475	1,619
16,450	16,500	1,205	988	1,093	19,450	19,500	1,490	1,228	1,351	22,450	22,500	1,785	1,479	1,623
16,500	16,550	1,210	992	1,097	19,500	19,550	1,495	1,232	1,355	22,500	22,550	1,790	1,483	1,628
16,550	16,600	1,215	996	1,101	19,550	19,600	1,500	1,236	1,359	22,550	22,600	1,795	1,488	1,633
16,600	16,650	1,219	1,000	1,106	19,600	19,650	1,504	1,240	1,364	22,600	22,650	1,800	1,492	1,638
16,650	16,700	1,224	1,004	1,110	19,650	19,700	1,509	1,244	1,368	22,650	22,700	1,805	1,497	1,643
16,700	16,750	1,229	1,008	1,114	19,700	19,750	1,514	1,248	1,372	22,700	22,750	1,810	1,501	1,647
16,750	16,800	1,234	1,012	1,118	19,750	19,800	1,519	1,252	1,376	22,750	22,800	1,815	1,505	1,652
16,800	16,850	1,238	1,016	1,123	19,800	19,850	1,523	1,256	1,381	22,800	22,850	1,820	1,510	1,657
16,850	16,900	1,243	1,020	1,127	19,850	19,900	1,528	1,260	1,385	22,850	22,900	1,825	1,514	1,662
16,900	16,950	1,248	1,024	1,131	19,900	19,950	1,533	1,264	1,389	22,900	22,950	1,830	1,518	1,667
16,950	17,000	1,253	1,028	1,136	19,950	20,000	1,538	1,268	1,394	22,950	23,000	1,835	1,523	1,671
17,000					20,000					23,000				
17,000	17,050	1,257	1,032	1,140	20,000	20,050	1,542	1,272	1,398	23,000	23,050	1,840	1,527	1,676
17,050	17,100	1,262	1,036	1,144	20,050	20,100	1,547	1,276	1,402	23,050	23,100	1,845	1,532	1,681
17,100	17,150	1,267	1,040	1,149	20,100	20,150	1,552	1,280	1,407	23,100	23,150	1,850	1,536	1,686
17,150	17,200	1,272	1,044	1,153	20,150	20,200	1,557	1,284	1,411	23,150	23,200	1,855	1,540	1,691
17,200	17,250	1,276	1,048	1,157	20,200	20,250	1,561	1,288	1,415	23,200	23,250	1,860	1,545	1,695
17,250	17,300	1,281	1,052	1,161	20,250	20,300	1,566	1,292	1,419	23,250	23,300	1,865	1,549	1,700
17,300	17,350	1,286	1,056	1,166	20,300	20,350	1,571	1,296	1,424	23,300	23,350	1,870	1,553	1,705
17,350	17,400	1,291	1,060	1,170	20,350	20,400	1,576	1,300	1,428	23,350	23,400	1,875	1,558	1,710
17,400	17,450	1,295	1,064	1,174	20,400	20,450	1,580	1,304	1,432	23,400	23,450	1,880	1,562	1,715
17,450	17,500	1,300	1,068	1,179	20,450	20,500	1,585	1,308	1,437	23,450	23,500	1,885	1,567	1,719
17,500	17,550	1,305	1,072	1,183	20,500	20,550	1,590	1,312	1,441	23,500	23,550	1,890	1,571	1,724
17,550	17,600	1,310	1,076	1,187	20,550	20,600	1,595	1,316	1,445	23,550	23,600	1,895	1,575	1,729
17,600	17,650	1,314	1,080	1,192	20,600	20,650	1,600	1,320	1,450	23,600	23,650	1,900	1,580	1,734
17,650	17,700	1,319	1,084	1,196	20,650	20,700	1,605	1,324	1,454	23,650	23,700	1,905	1,584	1,739
17,700	17,750	1,324	1,088	1,200	20,700	20,750	1,610	1,328	1,458	23,700	23,750	1,910	1,588	1,743
17,750	17,800	1,329	1,092	1,204	20,750	20,800	1,615	1,332	1,462	23,750	23,800	1,915	1,593	1,748
17,800	17,850	1,333	1,096	1,209	20,800	20,850	1,620	1,336	1,467	23,800	23,850	1,920	1,597	1,753
17,850	17,900	1,338	1,100	1,213	20,850	20,900	1,625	1,340	1,471	23,850	23,900	1,925	1,602	1,758
17,900	17,950	1,343	1,104	1,217	20,900	20,950	1,630	1,344	1,475	23,900	23,950	1,930	1,606	1,763
17,950	18,000	1,348	1,108	1,222	20,950	21,000	1,635	1,348	1,480	23,950	24,000	1,935	1,610	1,767
18,000					21,000					24,000				
18,000	18,050	1,352	1,112	1,226	21,000	21,050	1,640	1,352	1,484	24,000	24,050	1,940	1,615	1,772
18,050	18,100	1,357	1,116	1,230	21,050	21,100	1,645	1,357	1,489	24,050	24,100	1,945	1,619	1,777
18,100	18,150	1,362	1,120	1,235	21,100	21,150	1,650	1,361	1,494	24,100	24,150	1,950	1,623	1,782
18,150	18,200	1,367	1,124	1,239	21,150	21,200	1,655	1,365	1,499	24,150	24,200	1,955	1,628	1,787
18,200	18,250	1,371	1,128	1,243	21,200	21,250	1,660	1,370	1,503	24,200	24,250	1,960	1,632	1,791
18,250	18,300	1,376	1,132	1,247	21,250	21,300	1,665	1,374	1,508	24,250	24,300	1,965	1,637	1,796
18,300	18,350	1,381	1,136	1,252	21,300	21,350	1,670	1,378	1,513	24,300	24,350	1,970	1,641	1,801
18,350	18,400	1,386	1,140	1,256	21,350	21,400	1,675	1,383	1,518	24,350	24,400	1,975	1,645	1,806
18,400	18,450	1,390	1,144	1,260	21,400	21,450	1,680	1,387	1,523	24,400	24,450	1,980	1,650	1,811
18,450	18,500	1,395	1,148	1,265	21,450	21,500	1,685	1,392	1,527	24,450	24,500	1,985	1,654	1,815
18,500	18,550	1,400	1,152	1,269	21,500	21,550	1,690	1,396	1,532	24,500	24,550	1,990	1,658	1,820
18,550	18,600	1,405	1,156	1,273	21,550	21,600	1,695	1,400	1,537	24,550	24,600	1,995	1,663	1,825
18,600	18,650	1,409	1,160	1,278	21,600	21,650	1,700	1,405	1,542	24,600	24,650	2,000	1,667	1,830
18,650	18,700	1,414	1,164	1,282	21,650	21,700	1,705	1,409	1,547	24,650	24,700	2,005	1,672	1,835
18,700	18,750	1,419	1,168	1,286	21,700	21,750	1,710	1,413	1,551	24,700	24,750	2,010	1,676	1,839
18,750	18,800	1,424	1,172	1,290	21,750	21,800	1,715	1,418	1,556	24,750	24,800	2,015	1,680	1,844
18,800	18,850	1,428	1,176	1,295	21,800	21,850	1,720	1,422	1,561	24,800	24,850	2,020	1,685	1,849
18,850	18,900	1,433	1,180	1,299	21,850	21,900	1,725	1,427	1,566	24,850	24,900	2,025	1,689	1,854
18,900	18,950	1,438	1,184	1,303	21,900	21,950	1,730	1,431	1,571	24,900	24,950	2,030	1,693	1,859
18,950	19,000	1,443	1,188	1,308	21,950	22,000	1,735	1,435	1,575	24,950	25,000	2,035	1,698	1,863

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
25,000					28,000					31,000				
25,000	25,050	2,040	1,702	1,868	28,000	28,050	2,340	1,965	2,156	31,000	31,050	2,640	2,227	2,444
25,050	25,100	2,045	1,707	1,873	28,050	28,100	2,345	1,969	2,161	31,050	31,100	2,645	2,232	2,449
25,100	25,150	2,050	1,711	1,878	28,100	28,150	2,350	1,973	2,166	31,100	31,150	2,650	2,237	2,454
25,150	25,200	2,055	1,715	1,883	28,150	28,200	2,355	1,978	2,171	31,150	31,200	2,655	2,242	2,459
25,200	25,250	2,060	1,720	1,887	28,200	28,250	2,360	1,982	2,175	31,200	31,250	2,660	2,246	2,463
25,250	25,300	2,065	1,724	1,892	28,250	28,300	2,365	1,987	2,180	31,250	31,300	2,665	2,251	2,468
25,300	25,350	2,070	1,728	1,897	28,300	28,350	2,370	1,991	2,185	31,300	31,350	2,670	2,256	2,473
25,350	25,400	2,075	1,733	1,902	28,350	28,400	2,375	1,995	2,190	31,350	31,400	2,675	2,261	2,478
25,400	25,450	2,080	1,737	1,907	28,400	28,450	2,380	2,000	2,195	31,400	31,450	2,680	2,265	2,483
25,450	25,500	2,085	1,742	1,911	28,450	28,500	2,385	2,004	2,199	31,450	31,500	2,685	2,270	2,487
25,500	25,550	2,090	1,746	1,916	28,500	28,550	2,390	2,008	2,204	31,500	31,550	2,690	2,275	2,492
25,550	25,600	2,095	1,750	1,921	28,550	28,600	2,395	2,013	2,209	31,550	31,600	2,695	2,280	2,497
25,600	25,650	2,100	1,755	1,926	28,600	28,650	2,400	2,017	2,214	31,600	31,650	2,700	2,284	2,502
25,650	25,700	2,105	1,759	1,931	28,650	28,700	2,405	2,022	2,219	31,650	31,700	2,705	2,289	2,507
25,700	25,750	2,110	1,763	1,935	28,700	28,750	2,410	2,026	2,223	31,700	31,750	2,710	2,294	2,511
25,750	25,800	2,115	1,768	1,940	28,750	28,800	2,415	2,030	2,228	31,750	31,800	2,715	2,299	2,516
25,800	25,850	2,120	1,772	1,945	28,800	28,850	2,420	2,035	2,233	31,800	31,850	2,720	2,303	2,521
25,850	25,900	2,125	1,777	1,950	28,850	28,900	2,425	2,039	2,238	31,850	31,900	2,725	2,308	2,526
25,900	25,950	2,130	1,781	1,955	28,900	28,950	2,430	2,043	2,243	31,900	31,950	2,730	2,313	2,531
25,950	26,000	2,135	1,785	1,959	28,950	29,000	2,435	2,048	2,247	31,950	32,000	2,735	2,318	2,535
26,000					29,000					32,000				
26,000	26,050	2,140	1,790	1,964	29,000	29,050	2,440	2,052	2,252	32,000	32,050	2,740	2,322	2,540
26,050	26,100	2,145	1,794	1,969	29,050	29,100	2,445	2,057	2,257	32,050	32,100	2,745	2,327	2,545
26,100	26,150	2,150	1,798	1,974	29,100	29,150	2,450	2,061	2,262	32,100	32,150	2,750	2,332	2,550
26,150	26,200	2,155	1,803	1,979	29,150	29,200	2,455	2,065	2,267	32,150	32,200	2,755	2,337	2,555
26,200	26,250	2,160	1,807	1,983	29,200	29,250	2,460	2,070	2,271	32,200	32,250	2,760	2,341	2,559
26,250	26,300	2,165	1,812	1,988	29,250	29,300	2,465	2,074	2,276	32,250	32,300	2,765	2,346	2,564
26,300	26,350	2,170	1,816	1,993	29,300	29,350	2,470	2,078	2,281	32,300	32,350	2,770	2,351	2,569
26,350	26,400	2,175	1,820	1,998	29,350	29,400	2,475	2,083	2,286	32,350	32,400	2,775	2,356	2,574
26,400	26,450	2,180	1,825	2,003	29,400	29,450	2,480	2,087	2,291	32,400	32,450	2,780	2,360	2,579
26,450	26,500	2,185	1,829	2,007	29,450	29,500	2,485	2,092	2,295	32,450	32,500	2,785	2,365	2,583
26,500	26,550	2,190	1,833	2,012	29,500	29,550	2,490	2,096	2,300	32,500	32,550	2,790	2,370	2,588
26,550	26,600	2,195	1,838	2,017	29,550	29,600	2,495	2,100	2,305	32,550	32,600	2,795	2,375	2,593
26,600	26,650	2,200	1,842	2,022	29,600	29,650	2,500	2,105	2,310	32,600	32,650	2,800	2,379	2,598
26,650	26,700	2,205	1,847	2,027	29,650	29,700	2,505	2,109	2,315	32,650	32,700	2,805	2,384	2,603
26,700	26,750	2,210	1,851	2,031	29,700	29,750	2,510	2,113	2,319	32,700	32,750	2,810	2,389	2,607
26,750	26,800	2,215	1,855	2,036	29,750	29,800	2,515	2,118	2,324	32,750	32,800	2,815	2,394	2,612
26,800	26,850	2,220	1,860	2,041	29,800	29,850	2,520	2,122	2,329	32,800	32,850	2,820	2,398	2,617
26,850	26,900	2,225	1,864	2,046	29,850	29,900	2,525	2,127	2,334	32,850	32,900	2,825	2,403	2,622
26,900	26,950	2,230	1,868	2,051	29,900	29,950	2,530	2,131	2,339	32,900	32,950	2,830	2,408	2,627
26,950	27,000	2,235	1,873	2,055	29,950	30,000	2,535	2,135	2,343	32,950	33,000	2,835	2,413	2,631
27,000					30,000					33,000				
27,000	27,050	2,240	1,877	2,060	30,000	30,050	2,540	2,140	2,348	33,000	33,050	2,840	2,417	2,636
27,050	27,100	2,245	1,882	2,065	30,050	30,100	2,545	2,144	2,353	33,050	33,100	2,845	2,422	2,641
27,100	27,150	2,250	1,886	2,070	30,100	30,150	2,550	2,148	2,358	33,100	33,150	2,850	2,427	2,646
27,150	27,200	2,255	1,890	2,075	30,150	30,200	2,555	2,153	2,363	33,150	33,200	2,855	2,432	2,651
27,200	27,250	2,260	1,895	2,079	30,200	30,250	2,560	2,157	2,367	33,200	33,250	2,860	2,436	2,655
27,250	27,300	2,265	1,899	2,084	30,250	30,300	2,565	2,162	2,372	33,250	33,300	2,865	2,441	2,660
27,300	27,350	2,270	1,903	2,089	30,300	30,350	2,570	2,166	2,377	33,300	33,350	2,870	2,446	2,665
27,350	27,400	2,275	1,908	2,094	30,350	30,400	2,575	2,170	2,382	33,350	33,400	2,875	2,451	2,670
27,400	27,450	2,280	1,912	2,099	30,400	30,450	2,580	2,175	2,387	33,400	33,450	2,880	2,455	2,675
27,450	27,500	2,285	1,917	2,103	30,450	30,500	2,585	2,179	2,391	33,450	33,500	2,885	2,460	2,679
27,500	27,550	2,290	1,921	2,108	30,500	30,550	2,590	2,183	2,396	33,500	33,550	2,890	2,465	2,684
27,550	27,600	2,295	1,925	2,113	30,550	30,600	2,595	2,188	2,401	33,550	33,600	2,895	2,470	2,689
27,600	27,650	2,300	1,930	2,118	30,600	30,650	2,600	2,192	2,406	33,600	33,650	2,900	2,474	2,694
27,650	27,700	2,305	1,934	2,123	30,650	30,700	2,605	2,197	2,411	33,650	33,700	2,905	2,479	2,699
27,700	27,750	2,310	1,938	2,127	30,700	30,750	2,610	2,201	2,415	33,700	33,750	2,910	2,484	2,703
27,750	27,800	2,315	1,943	2,132	30,750	30,800	2,615	2,205	2,420	33,750	33,800	2,915	2,489	2,708
27,800	27,850	2,320	1,947	2,137	30,800	30,850	2,620	2,210	2,425	33,800	33,850	2,920	2,493	2,713
27,850	27,900	2,325	1,952	2,142	30,850	30,900	2,625	2,214	2,430	33,850	33,900	2,925	2,498	2,718
27,900	27,950	2,330	1,956	2,147	30,900	30,950	2,630	2,218	2,435	33,900	33,950	2,930	2,503	2,723
27,950	28,000	2,335	1,960	2,151	30,950	31,000	2,635	2,223	2,439	33,950	34,000	2,935	2,508	2,727

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
34,000					37,000					40,000				
34,000	34,050	2,940	2,512	2,732	37,000	37,050	3,240	2,797	3,020	40,000	40,050	3,540	3,082	3,308
34,050	34,100	2,945	2,517	2,737	37,050	37,100	3,245	2,802	3,025	40,050	40,100	3,545	3,087	3,313
34,100	34,150	2,950	2,522	2,742	37,100	37,150	3,250	2,807	3,030	40,100	40,150	3,550	3,092	3,318
34,150	34,200	2,955	2,527	2,747	37,150	37,200	3,255	2,812	3,035	40,150	40,200	3,555	3,097	3,323
34,200	34,250	2,960	2,531	2,751	37,200	37,250	3,260	2,816	3,039	40,200	40,250	3,560	3,101	3,327
34,250	34,300	2,965	2,536	2,756	37,250	37,300	3,265	2,821	3,044	40,250	40,300	3,565	3,106	3,332
34,300	34,350	2,970	2,541	2,761	37,300	37,350	3,270	2,826	3,049	40,300	40,350	3,570	3,111	3,337
34,350	34,400	2,975	2,546	2,766	37,350	37,400	3,275	2,831	3,054	40,350	40,400	3,575	3,116	3,342
34,400	34,450	2,980	2,550	2,771	37,400	37,450	3,280	2,835	3,059	40,400	40,450	3,580	3,120	3,347
34,450	34,500	2,985	2,555	2,775	37,450	37,500	3,285	2,840	3,063	40,450	40,500	3,585	3,125	3,351
34,500	34,550	2,990	2,560	2,780	37,500	37,550	3,290	2,845	3,068	40,500	40,550	3,590	3,130	3,356
34,550	34,600	2,995	2,565	2,785	37,550	37,600	3,295	2,850	3,073	40,550	40,600	3,595	3,135	3,361
34,600	34,650	3,000	2,569	2,790	37,600	37,650	3,300	2,854	3,078	40,600	40,650	3,600	3,139	3,366
34,650	34,700	3,005	2,574	2,795	37,650	37,700	3,305	2,859	3,083	40,650	40,700	3,605	3,144	3,371
34,700	34,750	3,010	2,579	2,799	37,700	37,750	3,310	2,864	3,087	40,700	40,750	3,610	3,149	3,375
34,750	34,800	3,015	2,584	2,804	37,750	37,800	3,315	2,869	3,092	40,750	40,800	3,615	3,154	3,380
34,800	34,850	3,020	2,588	2,809	37,800	37,850	3,320	2,873	3,097	40,800	40,850	3,620	3,158	3,385
34,850	34,900	3,025	2,593	2,814	37,850	37,900	3,325	2,878	3,102	40,850	40,900	3,625	3,163	3,390
34,900	34,950	3,030	2,598	2,819	37,900	37,950	3,330	2,883	3,107	40,900	40,950	3,630	3,168	3,395
34,950	35,000	3,035	2,603	2,823	37,950	38,000	3,335	2,888	3,111	40,950	41,000	3,635	3,173	3,399
35,000					38,000					41,000				
35,000	35,050	3,040	2,607	2,828	38,000	38,050	3,340	2,892	3,116	41,000	41,050	3,640	3,178	3,404
35,050	35,100	3,045	2,612	2,833	38,050	38,100	3,345	2,897	3,121	41,050	41,100	3,645	3,183	3,409
35,100	35,150	3,050	2,617	2,838	38,100	38,150	3,350	2,902	3,126	41,100	41,150	3,650	3,188	3,414
35,150	35,200	3,055	2,622	2,843	38,150	38,200	3,355	2,907	3,131	41,150	41,200	3,655	3,193	3,419
35,200	35,250	3,060	2,626	2,847	38,200	38,250	3,360	2,911	3,135	41,200	41,250	3,660	3,198	3,424
35,250	35,300	3,065	2,631	2,852	38,250	38,300	3,365	2,916	3,140	41,250	41,300	3,665	3,203	3,429
35,300	35,350	3,070	2,636	2,857	38,300	38,350	3,370	2,921	3,145	41,300	41,350	3,670	3,208	3,434
35,350	35,400	3,075	2,641	2,862	38,350	38,400	3,375	2,926	3,150	41,350	41,400	3,675	3,213	3,439
35,400	35,450	3,080	2,645	2,867	38,400	38,450	3,380	2,930	3,155	41,400	41,450	3,680	3,218	3,444
35,450	35,500	3,085	2,650	2,871	38,450	38,500	3,385	2,935	3,159	41,450	41,500	3,685	3,223	3,449
35,500	35,550	3,090	2,655	2,876	38,500	38,550	3,390	2,940	3,164	41,500	41,550	3,690	3,228	3,454
35,550	35,600	3,095	2,660	2,881	38,550	38,600	3,395	2,945	3,169	41,550	41,600	3,695	3,233	3,459
35,600	35,650	3,100	2,664	2,886	38,600	38,650	3,400	2,949	3,174	41,600	41,650	3,700	3,238	3,464
35,650	35,700	3,105	2,669	2,891	38,650	38,700	3,405	2,954	3,179	41,650	41,700	3,705	3,243	3,469
35,700	35,750	3,110	2,674	2,895	38,700	38,750	3,410	2,959	3,183	41,700	41,750	3,710	3,248	3,474
35,750	35,800	3,115	2,679	2,900	38,750	38,800	3,415	2,964	3,188	41,750	41,800	3,715	3,253	3,479
35,800	35,850	3,120	2,683	2,905	38,800	38,850	3,420	2,968	3,193	41,800	41,850	3,720	3,258	3,484
35,850	35,900	3,125	2,688	2,910	38,850	38,900	3,425	2,973	3,198	41,850	41,900	3,725	3,263	3,489
35,900	35,950	3,130	2,693	2,915	38,900	38,950	3,430	2,978	3,203	41,900	41,950	3,730	3,268	3,494
35,950	36,000	3,135	2,698	2,919	38,950	39,000	3,435	2,983	3,207	41,950	42,000	3,735	3,273	3,499
36,000					39,000					42,000				
36,000	36,050	3,140	2,702	2,924	39,000	39,050	3,440	2,987	3,212	42,000	42,050	3,740	3,278	3,504
36,050	36,100	3,145	2,707	2,929	39,050	39,100	3,445	2,992	3,217	42,050	42,100	3,745	3,283	3,509
36,100	36,150	3,150	2,712	2,934	39,100	39,150	3,450	2,997	3,222	42,100	42,150	3,750	3,288	3,514
36,150	36,200	3,155	2,717	2,939	39,150	39,200	3,455	3,002	3,227	42,150	42,200	3,755	3,293	3,519
36,200	36,250	3,160	2,721	2,943	39,200	39,250	3,460	3,006	3,231	42,200	42,250	3,760	3,298	3,524
36,250	36,300	3,165	2,726	2,948	39,250	39,300	3,465	3,011	3,236	42,250	42,300	3,765	3,303	3,529
36,300	36,350	3,170	2,731	2,953	39,300	39,350	3,470	3,016	3,241	42,300	42,350	3,770	3,308	3,534
36,350	36,400	3,175	2,736	2,958	39,350	39,400	3,475	3,021	3,246	42,350	42,400	3,775	3,313	3,539
36,400	36,450	3,180	2,740	2,963	39,400	39,450	3,480	3,025	3,251	42,400	42,450	3,780	3,318	3,544
36,450	36,500	3,185	2,745	2,967	39,450	39,500	3,485	3,030	3,255	42,450	42,500	3,785	3,323	3,549
36,500	36,550	3,190	2,750	2,972	39,500	39,550	3,490	3,035	3,260	42,500	42,550	3,790	3,328	3,554
36,550	36,600	3,195	2,755	2,977	39,550	39,600	3,495	3,040	3,265	42,550	42,600	3,795	3,333	3,559
36,600	36,650	3,200	2,759	2,982	39,600	39,650	3,500	3,044	3,270	42,600	42,650	3,800	3,338	3,564
36,650	36,700	3,205	2,764	2,987	39,650	39,700	3,505	3,049	3,275	42,650	42,700	3,805	3,343	3,569
36,700	36,750	3,210	2,769	2,991	39,700	39,750	3,510	3,054	3,279	42,700	42,750	3,810	3,348	3,574
36,750	36,800	3,215	2,774	2,996	39,750	39,800	3,515	3,059	3,284	42,750	42,800	3,815	3,353	3,579
36,800	36,850	3,220	2,778	3,001	39,800	39,850	3,520	3,063	3,289	42,800	42,850	3,820	3,358	3,584
36,850	36,900	3,225	2,783	3,006	39,850	39,900	3,525	3,068	3,294	42,850	42,900	3,825	3,363	3,589
36,900	36,950	3,230	2,788	3,011	39,900	39,950	3,530	3,073	3,299	42,900	42,950	3,830	3,368	3,594
36,950	37,000	3,235	2,793	3,015	39,950	40,000	3,535	3,078	3,303	42,950	43,000	3,835	3,373	3,599

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
43,000					46,000					49,000				
43,000	43,050	3,840	3,378	3,604	46,000	46,050	4,140	3,678	3,904	49,000	49,050	4,440	3,978	4,204
43,050	43,100	3,845	3,383	3,609	46,050	46,100	4,145	3,683	3,909	49,050	49,100	4,445	3,983	4,209
43,100	43,150	3,850	3,388	3,614	46,100	46,150	4,150	3,688	3,914	49,100	49,150	4,450	3,988	4,214
43,150	43,200	3,855	3,393	3,619	46,150	46,200	4,155	3,693	3,919	49,150	49,200	4,455	3,993	4,219
43,200	43,250	3,860	3,398	3,624	46,200	46,250	4,160	3,698	3,924	49,200	49,250	4,460	3,998	4,224
43,250	43,300	3,865	3,403	3,629	46,250	46,300	4,165	3,703	3,929	49,250	49,300	4,465	4,003	4,229
43,300	43,350	3,870	3,408	3,634	46,300	46,350	4,170	3,708	3,934	49,300	49,350	4,470	4,008	4,234
43,350	43,400	3,875	3,413	3,639	46,350	46,400	4,175	3,713	3,939	49,350	49,400	4,475	4,013	4,239
43,400	43,450	3,880	3,418	3,644	46,400	46,450	4,180	3,718	3,944	49,400	49,450	4,480	4,018	4,244
43,450	43,500	3,885	3,423	3,649	46,450	46,500	4,185	3,723	3,949	49,450	49,500	4,485	4,023	4,249
43,500	43,550	3,890	3,428	3,654	46,500	46,550	4,190	3,728	3,954	49,500	49,550	4,490	4,028	4,254
43,550	43,600	3,895	3,433	3,659	46,550	46,600	4,195	3,733	3,959	49,550	49,600	4,495	4,033	4,259
43,600	43,650	3,900	3,438	3,664	46,600	46,650	4,200	3,738	3,964	49,600	49,650	4,500	4,038	4,264
43,650	43,700	3,905	3,443	3,669	46,650	46,700	4,205	3,743	3,969	49,650	49,700	4,505	4,043	4,269
43,700	43,750	3,910	3,448	3,674	46,700	46,750	4,210	3,748	3,974	49,700	49,750	4,510	4,048	4,274
43,750	43,800	3,915	3,453	3,679	46,750	46,800	4,215	3,753	3,979	49,750	49,800	4,515	4,053	4,279
43,800	43,850	3,920	3,458	3,684	46,800	46,850	4,220	3,758	3,984	49,800	49,850	4,520	4,058	4,284
43,850	43,900	3,925	3,463	3,689	46,850	46,900	4,225	3,763	3,989	49,850	49,900	4,525	4,063	4,289
43,900	43,950	3,930	3,468	3,694	46,900	46,950	4,230	3,768	3,994	49,900	49,950	4,530	4,068	4,294
43,950	44,000	3,935	3,473	3,699	46,950	47,000	4,235	3,773	3,999	49,950	50,000	4,535	4,073	4,299
44,000					47,000					50,000				
44,000	44,050	3,940	3,478	3,704	47,000	47,050	4,240	3,778	4,004	50,000	50,050	4,540	4,078	4,304
44,050	44,100	3,945	3,483	3,709	47,050	47,100	4,245	3,783	4,009	50,050	50,100	4,545	4,083	4,309
44,100	44,150	3,950	3,488	3,714	47,100	47,150	4,250	3,788	4,014	50,100	50,150	4,550	4,088	4,314
44,150	44,200	3,955	3,493	3,719	47,150	47,200	4,255	3,793	4,019	50,150	50,200	4,555	4,093	4,319
44,200	44,250	3,960	3,498	3,724	47,200	47,250	4,260	3,798	4,024	50,200	50,250	4,560	4,098	4,324
44,250	44,300	3,965	3,503	3,729	47,250	47,300	4,265	3,803	4,029	50,250	50,300	4,565	4,103	4,329
44,300	44,350	3,970	3,508	3,734	47,300	47,350	4,270	3,808	4,034	50,300	50,350	4,570	4,108	4,334
44,350	44,400	3,975	3,513	3,739	47,350	47,400	4,275	3,813	4,039	50,350	50,400	4,575	4,113	4,339
44,400	44,450	3,980	3,518	3,744	47,400	47,450	4,280	3,818	4,044	50,400	50,450	4,580	4,118	4,344
44,450	44,500	3,985	3,523	3,749	47,450	47,500	4,285	3,823	4,049	50,450	50,500	4,585	4,123	4,349
44,500	44,550	3,990	3,528	3,754	47,500	47,550	4,290	3,828	4,054	50,500	50,550	4,590	4,128	4,354
44,550	44,600	3,995	3,533	3,759	47,550	47,600	4,295	3,833	4,059	50,550	50,600	4,595	4,133	4,359
44,600	44,650	4,000	3,538	3,764	47,600	47,650	4,300	3,838	4,064	50,600	50,650	4,600	4,138	4,364
44,650	44,700	4,005	3,543	3,769	47,650	47,700	4,305	3,843	4,069	50,650	50,700	4,605	4,143	4,369
44,700	44,750	4,010	3,548	3,774	47,700	47,750	4,310	3,848	4,074	50,700	50,750	4,610	4,148	4,374
44,750	44,800	4,015	3,553	3,779	47,750	47,800	4,315	3,853	4,079	50,750	50,800	4,615	4,153	4,379
44,800	44,850	4,020	3,558	3,784	47,800	47,850	4,320	3,858	4,084	50,800	50,850	4,620	4,158	4,384
44,850	44,900	4,025	3,563	3,789	47,850	47,900	4,325	3,863	4,089	50,850	50,900	4,625	4,163	4,389
44,900	44,950	4,030	3,568	3,794	47,900	47,950	4,330	3,868	4,094	50,900	50,950	4,630	4,168	4,394
44,950	45,000	4,035	3,573	3,799	47,950	48,000	4,335	3,873	4,099	50,950	51,000	4,635	4,173	4,399
45,000					48,000					51,000				
45,000	45,050	4,040	3,578	3,804	48,000	48,050	4,340	3,878	4,104	51,000	51,050	4,640	4,178	4,404
45,050	45,100	4,045	3,583	3,809	48,050	48,100	4,345	3,883	4,109	51,050	51,100	4,645	4,183	4,409
45,100	45,150	4,050	3,588	3,814	48,100	48,150	4,350	3,888	4,114	51,100	51,150	4,650	4,188	4,414
45,150	45,200	4,055	3,593	3,819	48,150	48,200	4,355	3,893	4,119	51,150	51,200	4,655	4,193	4,419
45,200	45,250	4,060	3,598	3,824	48,200	48,250	4,360	3,898	4,124	51,200	51,250	4,660	4,198	4,424
45,250	45,300	4,065	3,603	3,829	48,250	48,300	4,365	3,903	4,129	51,250	51,300	4,665	4,203	4,429
45,300	45,350	4,070	3,608	3,834	48,300	48,350	4,370	3,908	4,134	51,300	51,350	4,670	4,208	4,434
45,350	45,400	4,075	3,613	3,839	48,350	48,400	4,375	3,913	4,139	51,350	51,400	4,675	4,213	4,439
45,400	45,450	4,080	3,618	3,844	48,400	48,450	4,380	3,918	4,144	51,400	51,450	4,680	4,218	4,444
45,450	45,500	4,085	3,623	3,849	48,450	48,500	4,385	3,923	4,149	51,450	51,500	4,685	4,223	4,449
45,500	45,550	4,090	3,628	3,854	48,500	48,550	4,390	3,928	4,154	51,500	51,550	4,690	4,228	4,454
45,550	45,600	4,095	3,633	3,859	48,550	48,600	4,395	3,933	4,159	51,550	51,600	4,695	4,233	4,459
45,600	45,650	4,100	3,638	3,864	48,600	48,650	4,400	3,938	4,164	51,600	51,650	4,700	4,238	4,464
45,650	45,700	4,105	3,643	3,869	48,650	48,700	4,405	3,943	4,169	51,650	51,700	4,705	4,243	4,469
45,700	45,750	4,110	3,648	3,874	48,700	48,750	4,410	3,948	4,174	51,700	51,750	4,710	4,248	4,474
45,750	45,800	4,115	3,653	3,879	48,750	48,800	4,415	3,953	4,179	51,750	51,800	4,715	4,253	4,479
45,800	45,850	4,120	3,658	3,884	48,800	48,850	4,420	3,958	4,184	51,800	51,850	4,720	4,258	4,484
45,850	45,900	4,125	3,663	3,889	48,850	48,900	4,425	3,963	4,189	51,850	51,900	4,725	4,263	4,489
45,900	45,950	4,130	3,668	3,894	48,900	48,950	4,430	3,968	4,194	51,900	51,950	4,730	4,268	4,494
45,950	46,000	4,135	3,673	3,899	48,950	49,000	4,435	3,973	4,199	51,950	52,000	4,735	4,273	4,499

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
52,000					55,000					58,000				
52,000	52,050	4,740	4,278	4,504	55,000	55,050	5,040	4,578	4,804	58,000	58,050	5,340	4,878	5,104
52,050	52,100	4,745	4,283	4,509	55,050	55,100	5,045	4,583	4,809	58,050	58,100	5,345	4,883	5,109
52,100	52,150	4,750	4,288	4,514	55,100	55,150	5,050	4,588	4,814	58,100	58,150	5,350	4,888	5,114
52,150	52,200	4,755	4,293	4,519	55,150	55,200	5,055	4,593	4,819	58,150	58,200	5,355	4,893	5,119
52,200	52,250	4,760	4,298	4,524	55,200	55,250	5,060	4,598	4,824	58,200	58,250	5,360	4,898	5,124
52,250	52,300	4,765	4,303	4,529	55,250	55,300	5,065	4,603	4,829	58,250	58,300	5,365	4,903	5,129
52,300	52,350	4,770	4,308	4,534	55,300	55,350	5,070	4,608	4,834	58,300	58,350	5,370	4,908	5,134
52,350	52,400	4,775	4,313	4,539	55,350	55,400	5,075	4,613	4,839	58,350	58,400	5,375	4,913	5,139
52,400	52,450	4,780	4,318	4,544	55,400	55,450	5,080	4,618	4,844	58,400	58,450	5,380	4,918	5,144
52,450	52,500	4,785	4,323	4,549	55,450	55,500	5,085	4,623	4,849	58,450	58,500	5,385	4,923	5,149
52,500	52,550	4,790	4,328	4,554	55,500	55,550	5,090	4,628	4,854	58,500	58,550	5,390	4,928	5,154
52,550	52,600	4,795	4,333	4,559	55,550	55,600	5,095	4,633	4,859	58,550	58,600	5,395	4,933	5,159
52,600	52,650	4,800	4,338	4,564	55,600	55,650	5,100	4,638	4,864	58,600	58,650	5,400	4,938	5,164
52,650	52,700	4,805	4,343	4,569	55,650	55,700	5,105	4,643	4,869	58,650	58,700	5,405	4,943	5,169
52,700	52,750	4,810	4,348	4,574	55,700	55,750	5,110	4,648	4,874	58,700	58,750	5,410	4,948	5,174
52,750	52,800	4,815	4,353	4,579	55,750	55,800	5,115	4,653	4,879	58,750	58,800	5,415	4,953	5,179
52,800	52,850	4,820	4,358	4,584	55,800	55,850	5,120	4,658	4,884	58,800	58,850	5,420	4,958	5,184
52,850	52,900	4,825	4,363	4,589	55,850	55,900	5,125	4,663	4,889	58,850	58,900	5,425	4,963	5,189
52,900	52,950	4,830	4,368	4,594	55,900	55,950	5,130	4,668	4,894	58,900	58,950	5,430	4,968	5,194
52,950	53,000	4,835	4,373	4,599	55,950	56,000	5,135	4,673	4,899	58,950	59,000	5,435	4,973	5,199
53,000					56,000					59,000				
53,000	53,050	4,840	4,378	4,604	56,000	56,050	5,140	4,678	4,904	59,000	59,050	5,440	4,978	5,204
53,050	53,100	4,845	4,383	4,609	56,050	56,100	5,145	4,683	4,909	59,050	59,100	5,445	4,983	5,209
53,100	53,150	4,850	4,388	4,614	56,100	56,150	5,150	4,688	4,914	59,100	59,150	5,450	4,988	5,214
53,150	53,200	4,855	4,393	4,619	56,150	56,200	5,155	4,693	4,919	59,150	59,200	5,455	4,993	5,219
53,200	53,250	4,860	4,398	4,624	56,200	56,250	5,160	4,698	4,924	59,200	59,250	5,460	4,998	5,224
53,250	53,300	4,865	4,403	4,629	56,250	56,300	5,165	4,703	4,929	59,250	59,300	5,465	5,003	5,229
53,300	53,350	4,870	4,408	4,634	56,300	56,350	5,170	4,708	4,934	59,300	59,350	5,470	5,008	5,234
53,350	53,400	4,875	4,413	4,639	56,350	56,400	5,175	4,713	4,939	59,350	59,400	5,475	5,013	5,239
53,400	53,450	4,880	4,418	4,644	56,400	56,450	5,180	4,718	4,944	59,400	59,450	5,480	5,018	5,244
53,450	53,500	4,885	4,423	4,649	56,450	56,500	5,185	4,723	4,949	59,450	59,500	5,485	5,023	5,249
53,500	53,550	4,890	4,428	4,654	56,500	56,550	5,190	4,728	4,954	59,500	59,550	5,490	5,028	5,254
53,550	53,600	4,895	4,433	4,659	56,550	56,600	5,195	4,733	4,959	59,550	59,600	5,495	5,033	5,259
53,600	53,650	4,900	4,438	4,664	56,600	56,650	5,200	4,738	4,964	59,600	59,650	5,500	5,038	5,264
53,650	53,700	4,905	4,443	4,669	56,650	56,700	5,205	4,743	4,969	59,650	59,700	5,505	5,043	5,269
53,700	53,750	4,910	4,448	4,674	56,700	56,750	5,210	4,748	4,974	59,700	59,750	5,510	5,048	5,274
53,750	53,800	4,915	4,453	4,679	56,750	56,800	5,215	4,753	4,979	59,750	59,800	5,515	5,053	5,279
53,800	53,850	4,920	4,458	4,684	56,800	56,850	5,220	4,758	4,984	59,800	59,850	5,520	5,058	5,284
53,850	53,900	4,925	4,463	4,689	56,850	56,900	5,225	4,763	4,989	59,850	59,900	5,525	5,063	5,289
53,900	53,950	4,930	4,468	4,694	56,900	56,950	5,230	4,768	4,994	59,900	59,950	5,530	5,068	5,294
53,950	54,000	4,935	4,473	4,699	56,950	57,000	5,235	4,773	4,999	59,950	60,000	5,535	5,073	5,299
54,000					57,000					60,000				
54,000	54,050	4,940	4,478	4,704	57,000	57,050	5,240	4,778	5,004	60,000	60,050	5,540	5,078	5,304
54,050	54,100	4,945	4,483	4,709	57,050	57,100	5,245	4,783	5,009	60,050	60,100	5,545	5,083	5,309
54,100	54,150	4,950	4,488	4,714	57,100	57,150	5,250	4,788	5,014	60,100	60,150	5,550	5,088	5,314
54,150	54,200	4,955	4,493	4,719	57,150	57,200	5,255	4,793	5,019	60,150	60,200	5,555	5,093	5,319
54,200	54,250	4,960	4,498	4,724	57,200	57,250	5,260	4,798	5,024	60,200	60,250	5,560	5,098	5,324
54,250	54,300	4,965	4,503	4,729	57,250	57,300	5,265	4,803	5,029	60,250	60,300	5,565	5,103	5,329
54,300	54,350	4,970	4,508	4,734	57,300	57,350	5,270	4,808	5,034	60,300	60,350	5,570	5,108	5,334
54,350	54,400	4,975	4,513	4,739	57,350	57,400	5,275	4,813	5,039	60,350	60,400	5,575	5,113	5,339
54,400	54,450	4,980	4,518	4,744	57,400	57,450	5,280	4,818	5,044	60,400	60,450	5,580	5,118	5,344
54,450	54,500	4,985	4,523	4,749	57,450	57,500	5,285	4,823	5,049	60,450	60,500	5,585	5,123	5,349
54,500	54,550	4,990	4,528	4,754	57,500	57,550	5,290	4,828	5,054	60,500	60,550	5,590	5,128	5,354
54,550	54,600	4,995	4,533	4,759	57,550	57,600	5,295	4,833	5,059	60,550	60,600	5,595	5,133	5,359
54,600	54,650	5,000	4,538	4,764	57,600	57,650	5,300	4,838	5,064	60,600	60,650	5,600	5,138	5,364
54,650	54,700	5,005	4,543	4,769	57,650	57,700	5,305	4,843	5,069	60,650	60,700	5,605	5,143	5,369
54,700	54,750	5,010	4,548	4,774	57,700	57,750	5,310	4,848	5,074	60,700	60,750	5,610	5,148	5,374
54,750	54,800	5,015	4,553	4,779	57,750	57,800	5,315	4,853	5,079	60,750	60,800	5,615	5,153	5,379
54,800	54,850	5,020	4,558	4,784	57,800	57,850	5,320	4,858	5,084	60,800	60,850	5,620	5,158	5,384
54,850	54,900	5,025	4,563	4,789	57,850	57,900	5,325	4,863	5,089	60,850	60,900	5,625	5,163	5,389
54,900	54,950	5,030	4,568	4,794	57,900	57,950	5,330	4,868	5,094	60,900	60,950	5,630	5,168	5,394
54,950	55,000	5,035	4,573	4,799	57,950	58,000	5,335	4,873	5,099	60,950	61,000	5,635	5,173	5,399

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
		Your tax is —					Your tax is —					Your tax is —		
61,000					64,000					67,000				
61,000	61,050	5,640	5,178	5,404	64,000	64,050	5,940	5,478	5,704	67,000	67,050	6,240	5,778	6,004
61,050	61,100	5,645	5,183	5,409	64,050	64,100	5,945	5,483	5,709	67,050	67,100	6,245	5,783	6,009
61,100	61,150	5,650	5,188	5,414	64,100	64,150	5,950	5,488	5,714	67,100	67,150	6,250	5,788	6,014
61,150	61,200	5,655	5,193	5,419	64,150	64,200	5,955	5,493	5,719	67,150	67,200	6,255	5,793	6,019
61,200	61,250	5,660	5,198	5,424	64,200	64,250	5,960	5,498	5,724	67,200	67,250	6,260	5,798	6,024
61,250	61,300	5,665	5,203	5,429	64,250	64,300	5,965	5,503	5,729	67,250	67,300	6,265	5,803	6,029
61,300	61,350	5,670	5,208	5,434	64,300	64,350	5,970	5,508	5,734	67,300	67,350	6,270	5,808	6,034
61,350	61,400	5,675	5,213	5,439	64,350	64,400	5,975	5,513	5,739	67,350	67,400	6,275	5,813	6,039
61,400	61,450	5,680	5,218	5,444	64,400	64,450	5,980	5,518	5,744	67,400	67,450	6,280	5,818	6,044
61,450	61,500	5,685	5,223	5,449	64,450	64,500	5,985	5,523	5,749	67,450	67,500	6,285	5,823	6,049
61,500	61,550	5,690	5,228	5,454	64,500	64,550	5,990	5,528	5,754	67,500	67,550	6,290	5,828	6,054
61,550	61,600	5,695	5,233	5,459	64,550	64,600	5,995	5,533	5,759	67,550	67,600	6,295	5,833	6,059
61,600	61,650	5,700	5,238	5,464	64,600	64,650	6,000	5,538	5,764	67,600	67,650	6,300	5,838	6,064
61,650	61,700	5,705	5,243	5,469	64,650	64,700	6,005	5,543	5,769	67,650	67,700	6,305	5,843	6,069
61,700	61,750	5,710	5,248	5,474	64,700	64,750	6,010	5,548	5,774	67,700	67,750	6,310	5,848	6,074
61,750	61,800	5,715	5,253	5,479	64,750	64,800	6,015	5,553	5,779	67,750	67,800	6,315	5,853	6,079
61,800	61,850	5,720	5,258	5,484	64,800	64,850	6,020	5,558	5,784	67,800	67,850	6,320	5,858	6,084
61,850	61,900	5,725	5,263	5,489	64,850	64,900	6,025	5,563	5,789	67,850	67,900	6,325	5,863	6,089
61,900	61,950	5,730	5,268	5,494	64,900	64,950	6,030	5,568	5,794	67,900	67,950	6,330	5,868	6,094
61,950	62,000	5,735	5,273	5,499	64,950	65,000	6,035	5,573	5,799	67,950	68,000	6,335	5,873	6,099
62,000					65,000					68,000				
62,000	62,050	5,740	5,278	5,504	65,000	65,050	6,040	5,578	5,804	68,000	68,050	6,340	5,878	6,104
62,050	62,100	5,745	5,283	5,509	65,050	65,100	6,045	5,583	5,809	68,050	68,100	6,345	5,883	6,109
62,100	62,150	5,750	5,288	5,514	65,100	65,150	6,050	5,588	5,814	68,100	68,150	6,350	5,888	6,114
62,150	62,200	5,755	5,293	5,519	65,150	65,200	6,055	5,593	5,819	68,150	68,200	6,355	5,893	6,119
62,200	62,250	5,760	5,298	5,524	65,200	65,250	6,060	5,598	5,824	68,200	68,250	6,360	5,898	6,124
62,250	62,300	5,765	5,303	5,529	65,250	65,300	6,065	5,603	5,829	68,250	68,300	6,365	5,903	6,129
62,300	62,350	5,770	5,308	5,534	65,300	65,350	6,070	5,608	5,834	68,300	68,350	6,370	5,908	6,134
62,350	62,400	5,775	5,313	5,539	65,350	65,400	6,075	5,613	5,839	68,350	68,400	6,375	5,913	6,139
62,400	62,450	5,780	5,318	5,544	65,400	65,450	6,080	5,618	5,844	68,400	68,450	6,380	5,918	6,144
62,450	62,500	5,785	5,323	5,549	65,450	65,500	6,085	5,623	5,849	68,450	68,500	6,385	5,923	6,149
62,500	62,550	5,790	5,328	5,554	65,500	65,550	6,090	5,628	5,854	68,500	68,550	6,390	5,928	6,154
62,550	62,600	5,795	5,333	5,559	65,550	65,600	6,095	5,633	5,859	68,550	68,600	6,395	5,933	6,159
62,600	62,650	5,800	5,338	5,564	65,600	65,650	6,100	5,638	5,864	68,600	68,650	6,400	5,938	6,164
62,650	62,700	5,805	5,343	5,569	65,650	65,700	6,105	5,643	5,869	68,650	68,700	6,405	5,943	6,169
62,700	62,750	5,810	5,348	5,574	65,700	65,750	6,110	5,648	5,874	68,700	68,750	6,410	5,948	6,174
62,750	62,800	5,815	5,353	5,579	65,750	65,800	6,115	5,653	5,879	68,750	68,800	6,415	5,953	6,179
62,800	62,850	5,820	5,358	5,584	65,800	65,850	6,120	5,658	5,884	68,800	68,850	6,420	5,958	6,184
62,850	62,900	5,825	5,363	5,589	65,850	65,900	6,125	5,663	5,889	68,850	68,900	6,425	5,963	6,189
62,900	62,950	5,830	5,368	5,594	65,900	65,950	6,130	5,668	5,894	68,900	68,950	6,430	5,968	6,194
62,950	63,000	5,835	5,373	5,599	65,950	66,000	6,135	5,673	5,899	68,950	69,000	6,435	5,973	6,199
63,000					66,000					69,000				
63,000	63,050	5,840	5,378	5,604	66,000	66,050	6,140	5,678	5,904	69,000	69,050	6,440	5,978	6,204
63,050	63,100	5,845	5,383	5,609	66,050	66,100	6,145	5,683	5,909	69,050	69,100	6,445	5,983	6,209
63,100	63,150	5,850	5,388	5,614	66,100	66,150	6,150	5,688	5,914	69,100	69,150	6,450	5,988	6,214
63,150	63,200	5,855	5,393	5,619	66,150	66,200	6,155	5,693	5,919	69,150	69,200	6,455	5,993	6,219
63,200	63,250	5,860	5,398	5,624	66,200	66,250	6,160	5,698	5,924	69,200	69,250	6,460	5,998	6,224
63,250	63,300	5,865	5,403	5,629	66,250	66,300	6,165	5,703	5,929	69,250	69,300	6,465	6,003	6,229
63,300	63,350	5,870	5,408	5,634	66,300	66,350	6,170	5,708	5,934	69,300	69,350	6,470	6,008	6,234
63,350	63,400	5,875	5,413	5,639	66,350	66,400	6,175	5,713	5,939	69,350	69,400	6,475	6,013	6,239
63,400	63,450	5,880	5,418	5,644	66,400	66,450	6,180	5,718	5,944	69,400	69,450	6,480	6,018	6,244
63,450	63,500	5,885	5,423	5,649	66,450	66,500	6,185	5,723	5,949	69,450	69,500	6,485	6,023	6,249
63,500	63,550	5,890	5,428	5,654	66,500	66,550	6,190	5,728	5,954	69,500	69,550	6,490	6,028	6,254
63,550	63,600	5,895	5,433	5,659	66,550	66,600	6,195	5,733	5,959	69,550	69,600	6,495	6,033	6,259
63,600	63,650	5,900	5,438	5,664	66,600	66,650	6,200	5,738	5,964	69,600	69,650	6,500	6,038	6,264
63,650	63,700	5,905	5,443	5,669	66,650	66,700	6,205	5,743	5,969	69,650	69,700	6,505	6,043	6,269
63,700	63,750	5,910	5,448	5,674	66,700	66,750	6,210	5,748	5,974	69,700	69,750	6,510	6,048	6,274
63,750	63,800	5,915	5,453	5,679	66,750	66,800	6,215	5,753	5,979	69,750	69,800	6,515	6,053	6,279
63,800	63,850	5,920	5,458	5,684	66,800	66,850	6,220	5,758	5,984	69,800	69,850	6,520	6,058	6,284
63,850	63,900	5,925	5,463	5,689	66,850	66,900	6,225	5,763	5,989	69,850	69,900	6,525	6,063	6,289
63,900	63,950	5,930	5,468	5,694	66,900	66,950	6,230	5,768	5,994	69,900	69,950	6,530	6,068	6,294
63,950	64,000	5,935	5,473	5,699	66,950	67,000	6,235	5,773	5,999	69,950	70,000	6,535	6,073	6,299

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
70,000					73,000					76,000				
70,000	70,050	6,540	6,078	6,304	73,000	73,050	6,840	6,378	6,604	76,000	76,050	7,140	6,678	6,904
70,050	70,100	6,545	6,083	6,309	73,050	73,100	6,845	6,383	6,609	76,050	76,100	7,145	6,683	6,909
70,100	70,150	6,550	6,088	6,314	73,100	73,150	6,850	6,388	6,614	76,100	76,150	7,150	6,688	6,914
70,150	70,200	6,555	6,093	6,319	73,150	73,200	6,855	6,393	6,619	76,150	76,200	7,155	6,693	6,919
70,200	70,250	6,560	6,098	6,324	73,200	73,250	6,860	6,398	6,624	76,200	76,250	7,160	6,698	6,924
70,250	70,300	6,565	6,103	6,329	73,250	73,300	6,865	6,403	6,629	76,250	76,300	7,165	6,703	6,929
70,300	70,350	6,570	6,108	6,334	73,300	73,350	6,870	6,408	6,634	76,300	76,350	7,170	6,708	6,934
70,350	70,400	6,575	6,113	6,339	73,350	73,400	6,875	6,413	6,639	76,350	76,400	7,175	6,713	6,939
70,400	70,450	6,580	6,118	6,344	73,400	73,450	6,880	6,418	6,644	76,400	76,450	7,180	6,718	6,944
70,450	70,500	6,585	6,123	6,349	73,450	73,500	6,885	6,423	6,649	76,450	76,500	7,185	6,723	6,949
70,500	70,550	6,590	6,128	6,354	73,500	73,550	6,890	6,428	6,654	76,500	76,550	7,190	6,728	6,954
70,550	70,600	6,595	6,133	6,359	73,550	73,600	6,895	6,433	6,659	76,550	76,600	7,195	6,733	6,959
70,600	70,650	6,600	6,138	6,364	73,600	73,650	6,900	6,438	6,664	76,600	76,650	7,200	6,738	6,964
70,650	70,700	6,605	6,143	6,369	73,650	73,700	6,905	6,443	6,669	76,650	76,700	7,205	6,743	6,969
70,700	70,750	6,610	6,148	6,374	73,700	73,750	6,910	6,448	6,674	76,700	76,750	7,210	6,748	6,974
70,750	70,800	6,615	6,153	6,379	73,750	73,800	6,915	6,453	6,679	76,750	76,800	7,215	6,753	6,979
70,800	70,850	6,620	6,158	6,384	73,800	73,850	6,920	6,458	6,684	76,800	76,850	7,220	6,758	6,984
70,850	70,900	6,625	6,163	6,389	73,850	73,900	6,925	6,463	6,689	76,850	76,900	7,225	6,763	6,989
70,900	70,950	6,630	6,168	6,394	73,900	73,950	6,930	6,468	6,694	76,900	76,950	7,230	6,768	6,994
70,950	71,000	6,635	6,173	6,399	73,950	74,000	6,935	6,473	6,699	76,950	77,000	7,235	6,773	6,999
71,000					74,000					77,000				
71,000	71,050	6,640	6,178	6,404	74,000	74,050	6,940	6,478	6,704	77,000	77,050	7,240	6,778	7,004
71,050	71,100	6,645	6,183	6,409	74,050	74,100	6,945	6,483	6,709	77,050	77,100	7,245	6,783	7,009
71,100	71,150	6,650	6,188	6,414	74,100	74,150	6,950	6,488	6,714	77,100	77,150	7,250	6,788	7,014
71,150	71,200	6,655	6,193	6,419	74,150	74,200	6,955	6,493	6,719	77,150	77,200	7,255	6,793	7,019
71,200	71,250	6,660	6,198	6,424	74,200	74,250	6,960	6,498	6,724	77,200	77,250	7,260	6,798	7,024
71,250	71,300	6,665	6,203	6,429	74,250	74,300	6,965	6,503	6,729	77,250	77,300	7,265	6,803	7,029
71,300	71,350	6,670	6,208	6,434	74,300	74,350	6,970	6,508	6,734	77,300	77,350	7,270	6,808	7,034
71,350	71,400	6,675	6,213	6,439	74,350	74,400	6,975	6,513	6,739	77,350	77,400	7,275	6,813	7,039
71,400	71,450	6,680	6,218	6,444	74,400	74,450	6,980	6,518	6,744	77,400	77,450	7,280	6,818	7,044
71,450	71,500	6,685	6,223	6,449	74,450	74,500	6,985	6,523	6,749	77,450	77,500	7,285	6,823	7,049
71,500	71,550	6,690	6,228	6,454	74,500	74,550	6,990	6,528	6,754	77,500	77,550	7,290	6,828	7,054
71,550	71,600	6,695	6,233	6,459	74,550	74,600	6,995	6,533	6,759	77,550	77,600	7,295	6,833	7,059
71,600	71,650	6,700	6,238	6,464	74,600	74,650	7,000	6,538	6,764	77,600	77,650	7,300	6,838	7,064
71,650	71,700	6,705	6,243	6,469	74,650	74,700	7,005	6,543	6,769	77,650	77,700	7,305	6,843	7,069
71,700	71,750	6,710	6,248	6,474	74,700	74,750	7,010	6,548	6,774	77,700	77,750	7,310	6,848	7,074
71,750	71,800	6,715	6,253	6,479	74,750	74,800	7,015	6,553	6,779	77,750	77,800	7,315	6,853	7,079
71,800	71,850	6,720	6,258	6,484	74,800	74,850	7,020	6,558	6,784	77,800	77,850	7,320	6,858	7,084
71,850	71,900	6,725	6,263	6,489	74,850	74,900	7,025	6,563	6,789	77,850	77,900	7,325	6,863	7,089
71,900	71,950	6,730	6,268	6,494	74,900	74,950	7,030	6,568	6,794	77,900	77,950	7,330	6,868	7,094
71,950	72,000	6,735	6,273	6,499	74,950	75,000	7,035	6,573	6,799	77,950	78,000	7,335	6,873	7,099
72,000					75,000					78,000				
72,000	72,050	6,740	6,278	6,504	75,000	75,050	7,040	6,578	6,804	78,000	78,050	7,340	6,878	7,104
72,050	72,100	6,745	6,283	6,509	75,050	75,100	7,045	6,583	6,809	78,050	78,100	7,345	6,883	7,109
72,100	72,150	6,750	6,288	6,514	75,100	75,150	7,050	6,588	6,814	78,100	78,150	7,350	6,888	7,114
72,150	72,200	6,755	6,293	6,519	75,150	75,200	7,055	6,593	6,819	78,150	78,200	7,355	6,893	7,119
72,200	72,250	6,760	6,298	6,524	75,200	75,250	7,060	6,598	6,824	78,200	78,250	7,360	6,898	7,124
72,250	72,300	6,765	6,303	6,529	75,250	75,300	7,065	6,603	6,829	78,250	78,300	7,365	6,903	7,129
72,300	72,350	6,770	6,308	6,534	75,300	75,350	7,070	6,608	6,834	78,300	78,350	7,370	6,908	7,134
72,350	72,400	6,775	6,313	6,539	75,350	75,400	7,075	6,613	6,839	78,350	78,400	7,375	6,913	7,139
72,400	72,450	6,780	6,318	6,544	75,400	75,450	7,080	6,618	6,844	78,400	78,450	7,380	6,918	7,144
72,450	72,500	6,785	6,323	6,549	75,450	75,500	7,085	6,623	6,849	78,450	78,500	7,385	6,923	7,149
72,500	72,550	6,790	6,328	6,554	75,500	75,550	7,090	6,628	6,854	78,500	78,550	7,390	6,928	7,154
72,550	72,600	6,795	6,333	6,559	75,550	75,600	7,095	6,633	6,859	78,550	78,600	7,395	6,933	7,159
72,600	72,650	6,800	6,338	6,564	75,600	75,650	7,100	6,638	6,864	78,600	78,650	7,400	6,938	7,164
72,650	72,700	6,805	6,343	6,569	75,650	75,700	7,105	6,643	6,869	78,650	78,700	7,405	6,943	7,169
72,700	72,750	6,810	6,348	6,574	75,700	75,750	7,110	6,648	6,874	78,700	78,750	7,410	6,948	7,174
72,750	72,800	6,815	6,353	6,579	75,750	75,800	7,115	6,653	6,879	78,750	78,800	7,415	6,953	7,179
72,800	72,850	6,820	6,358	6,584	75,800	75,850	7,120	6,658	6,884	78,800	78,850	7,420	6,958	7,184
72,850	72,900	6,825	6,363	6,589	75,850	75,900	7,125	6,663	6,889	78,850	78,900	7,425	6,963	7,189
72,900	72,950	6,830	6,368	6,594	75,900	75,950	7,130	6,668	6,894	78,900	78,950	7,430	6,968	7,194
72,950	73,000	6,835	6,373	6,599	75,950	76,000	7,135	6,673	6,899	78,950	79,000	7,435	6,973	7,199

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
79,000					82,000					85,000				
79,000	79,050	7,440	6,978	7,204	82,000	82,050	7,740	7,278	7,504	85,000	85,050	8,040	7,578	7,804
79,050	79,100	7,445	6,983	7,209	82,050	82,100	7,745	7,283	7,509	85,050	85,100	8,045	7,583	7,809
79,100	79,150	7,450	6,988	7,214	82,100	82,150	7,750	7,288	7,514	85,100	85,150	8,050	7,588	7,814
79,150	79,200	7,455	6,993	7,219	82,150	82,200	7,755	7,293	7,519	85,150	85,200	8,055	7,593	7,819
79,200	79,250	7,460	6,998	7,224	82,200	82,250	7,760	7,298	7,524	85,200	85,250	8,060	7,598	7,824
79,250	79,300	7,465	7,003	7,229	82,250	82,300	7,765	7,303	7,529	85,250	85,300	8,065	7,603	7,829
79,300	79,350	7,470	7,008	7,234	82,300	82,350	7,770	7,308	7,534	85,300	85,350	8,070	7,608	7,834
79,350	79,400	7,475	7,013	7,239	82,350	82,400	7,775	7,313	7,539	85,350	85,400	8,075	7,613	7,839
79,400	79,450	7,480	7,018	7,244	82,400	82,450	7,780	7,318	7,544	85,400	85,450	8,080	7,618	7,844
79,450	79,500	7,485	7,023	7,249	82,450	82,500	7,785	7,323	7,549	85,450	85,500	8,085	7,623	7,849
79,500	79,550	7,490	7,028	7,254	82,500	82,550	7,790	7,328	7,554	85,500	85,550	8,090	7,628	7,854
79,550	79,600	7,495	7,033	7,259	82,550	82,600	7,795	7,333	7,559	85,550	85,600	8,095	7,633	7,859
79,600	79,650	7,500	7,038	7,264	82,600	82,650	7,800	7,338	7,564	85,600	85,650	8,100	7,638	7,864
79,650	79,700	7,505	7,043	7,269	82,650	82,700	7,805	7,343	7,569	85,650	85,700	8,105	7,643	7,869
79,700	79,750	7,510	7,048	7,274	82,700	82,750	7,810	7,348	7,574	85,700	85,750	8,110	7,648	7,874
79,750	79,800	7,515	7,053	7,279	82,750	82,800	7,815	7,353	7,579	85,750	85,800	8,115	7,653	7,879
79,800	79,850	7,520	7,058	7,284	82,800	82,850	7,820	7,358	7,584	85,800	85,850	8,120	7,658	7,884
79,850	79,900	7,525	7,063	7,289	82,850	82,900	7,825	7,363	7,589	85,850	85,900	8,125	7,663	7,889
79,900	79,950	7,530	7,068	7,294	82,900	82,950	7,830	7,368	7,594	85,900	85,950	8,130	7,668	7,894
79,950	80,000	7,535	7,073	7,299	82,950	83,000	7,835	7,373	7,599	85,950	86,000	8,135	7,673	7,899
80,000					83,000					86,000				
80,000	80,050	7,540	7,078	7,304	83,000	83,050	7,840	7,378	7,604	86,000	86,050	8,140	7,678	7,904
80,050	80,100	7,545	7,083	7,309	83,050	83,100	7,845	7,383	7,609	86,050	86,100	8,145	7,683	7,909
80,100	80,150	7,550	7,088	7,314	83,100	83,150	7,850	7,388	7,614	86,100	86,150	8,150	7,688	7,914
80,150	80,200	7,555	7,093	7,319	83,150	83,200	7,855	7,393	7,619	86,150	86,200	8,155	7,693	7,919
80,200	80,250	7,560	7,098	7,324	83,200	83,250	7,860	7,398	7,624	86,200	86,250	8,160	7,698	7,924
80,250	80,300	7,565	7,103	7,329	83,250	83,300	7,865	7,403	7,629	86,250	86,300	8,165	7,703	7,929
80,300	80,350	7,570	7,108	7,334	83,300	83,350	7,870	7,408	7,634	86,300	86,350	8,170	7,708	7,934
80,350	80,400	7,575	7,113	7,339	83,350	83,400	7,875	7,413	7,639	86,350	86,400	8,175	7,713	7,939
80,400	80,450	7,580	7,118	7,344	83,400	83,450	7,880	7,418	7,644	86,400	86,450	8,180	7,718	7,944
80,450	80,500	7,585	7,123	7,349	83,450	83,500	7,885	7,423	7,649	86,450	86,500	8,185	7,723	7,949
80,500	80,550	7,590	7,128	7,354	83,500	83,550	7,890	7,428	7,654	86,500	86,550	8,190	7,728	7,954
80,550	80,600	7,595	7,133	7,359	83,550	83,600	7,895	7,433	7,659	86,550	86,600	8,195	7,733	7,959
80,600	80,650	7,600	7,138	7,364	83,600	83,650	7,900	7,438	7,664	86,600	86,650	8,200	7,738	7,964
80,650	80,700	7,605	7,143	7,369	83,650	83,700	7,905	7,443	7,669	86,650	86,700	8,205	7,743	7,969
80,700	80,750	7,610	7,148	7,374	83,700	83,750	7,910	7,448	7,674	86,700	86,750	8,210	7,748	7,974
80,750	80,800	7,615	7,153	7,379	83,750	83,800	7,915	7,453	7,679	86,750	86,800	8,215	7,753	7,979
80,800	80,850	7,620	7,158	7,384	83,800	83,850	7,920	7,458	7,684	86,800	86,850	8,220	7,758	7,984
80,850	80,900	7,625	7,163	7,389	83,850	83,900	7,925	7,463	7,689	86,850	86,900	8,225	7,763	7,989
80,900	80,950	7,630	7,168	7,394	83,900	83,950	7,930	7,468	7,694	86,900	86,950	8,230	7,768	7,994
80,950	81,000	7,635	7,173	7,399	83,950	84,000	7,935	7,473	7,699	86,950	87,000	8,235	7,773	7,999
81,000					84,000					87,000				
81,000	81,050	7,640	7,178	7,404	84,000	84,050	7,940	7,478	7,704	87,000	87,050	8,240	7,778	8,004
81,050	81,100	7,645	7,183	7,409	84,050	84,100	7,945	7,483	7,709	87,050	87,100	8,245	7,783	8,009
81,100	81,150	7,650	7,188	7,414	84,100	84,150	7,950	7,488	7,714	87,100	87,150	8,250	7,788	8,014
81,150	81,200	7,655	7,193	7,419	84,150	84,200	7,955	7,493	7,719	87,150	87,200	8,255	7,793	8,019
81,200	81,250	7,660	7,198	7,424	84,200	84,250	7,960	7,498	7,724	87,200	87,250	8,260	7,798	8,024
81,250	81,300	7,665	7,203	7,429	84,250	84,300	7,965	7,503	7,729	87,250	87,300	8,265	7,803	8,029
81,300	81,350	7,670	7,208	7,434	84,300	84,350	7,970	7,508	7,734	87,300	87,350	8,270	7,808	8,034
81,350	81,400	7,675	7,213	7,439	84,350	84,400	7,975	7,513	7,739	87,350	87,400	8,275	7,813	8,039
81,400	81,450	7,680	7,218	7,444	84,400	84,450	7,980	7,518	7,744	87,400	87,450	8,280	7,818	8,044
81,450	81,500	7,685	7,223	7,449	84,450	84,500	7,985	7,523	7,749	87,450	87,500	8,285	7,823	8,049
81,500	81,550	7,690	7,228	7,454	84,500	84,550	7,990	7,528	7,754	87,500	87,550	8,290	7,828	8,054
81,550	81,600	7,695	7,233	7,459	84,550	84,600	7,995	7,533	7,759	87,550	87,600	8,295	7,833	8,059
81,600	81,650	7,700	7,238	7,464	84,600	84,650	8,000	7,538	7,764	87,600	87,650	8,300	7,838	8,064
81,650	81,700	7,705	7,243	7,469	84,650	84,700	8,005	7,543	7,769	87,650	87,700	8,305	7,843	8,069
81,700	81,750	7,710	7,248	7,474	84,700	84,750	8,010	7,548	7,774	87,700	87,750	8,310	7,848	8,074
81,750	81,800	7,715	7,253	7,479	84,750	84,800	8,015	7,553	7,779	87,750	87,800	8,315	7,853	8,079
81,800	81,850	7,720	7,258	7,484	84,800	84,850	8,020	7,558	7,784	87,800	87,850	8,320	7,858	8,084
81,850	81,900	7,725	7,263	7,489	84,850	84,900	8,025	7,563	7,789	87,850	87,900	8,325	7,863	8,089
81,900	81,950	7,730	7,268	7,494	84,900	84,950	8,030	7,568	7,794	87,900	87,950	8,330	7,868	8,094
81,950	82,000	7,735	7,273	7,499	84,950	85,000	8,035	7,573	7,799	87,950	88,000	8,335	7,873	8,099

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
88,000					91,000					94,000				
88,000	88,050	8,340	7,878	8,104	91,000	91,050	8,640	8,178	8,404	94,000	94,050	8,940	8,478	8,704
88,050	88,100	8,345	7,883	8,109	91,050	91,100	8,645	8,183	8,409	94,050	94,100	8,945	8,483	8,709
88,100	88,150	8,350	7,888	8,114	91,100	91,150	8,650	8,188	8,414	94,100	94,150	8,950	8,488	8,714
88,150	88,200	8,355	7,893	8,119	91,150	91,200	8,655	8,193	8,419	94,150	94,200	8,955	8,493	8,719
88,200	88,250	8,360	7,898	8,124	91,200	91,250	8,660	8,198	8,424	94,200	94,250	8,960	8,498	8,724
88,250	88,300	8,365	7,903	8,129	91,250	91,300	8,665	8,203	8,429	94,250	94,300	8,965	8,503	8,729
88,300	88,350	8,370	7,908	8,134	91,300	91,350	8,670	8,208	8,434	94,300	94,350	8,970	8,508	8,734
88,350	88,400	8,375	7,913	8,139	91,350	91,400	8,675	8,213	8,439	94,350	94,400	8,975	8,513	8,739
88,400	88,450	8,380	7,918	8,144	91,400	91,450	8,680	8,218	8,444	94,400	94,450	8,980	8,518	8,744
88,450	88,500	8,385	7,923	8,149	91,450	91,500	8,685	8,223	8,449	94,450	94,500	8,985	8,523	8,749
88,500	88,550	8,390	7,928	8,154	91,500	91,550	8,690	8,228	8,454	94,500	94,550	8,990	8,528	8,754
88,550	88,600	8,395	7,933	8,159	91,550	91,600	8,695	8,233	8,459	94,550	94,600	8,995	8,533	8,759
88,600	88,650	8,400	7,938	8,164	91,600	91,650	8,700	8,238	8,464	94,600	94,650	9,000	8,538	8,764
88,650	88,700	8,405	7,943	8,169	91,650	91,700	8,705	8,243	8,469	94,650	94,700	9,005	8,543	8,769
88,700	88,750	8,410	7,948	8,174	91,700	91,750	8,710	8,248	8,474	94,700	94,750	9,010	8,548	8,774
88,750	88,800	8,415	7,953	8,179	91,750	91,800	8,715	8,253	8,479	94,750	94,800	9,015	8,553	8,779
88,800	88,850	8,420	7,958	8,184	91,800	91,850	8,720	8,258	8,484	94,800	94,850	9,020	8,558	8,784
88,850	88,900	8,425	7,963	8,189	91,850	91,900	8,725	8,263	8,489	94,850	94,900	9,025	8,563	8,789
88,900	88,950	8,430	7,968	8,194	91,900	91,950	8,730	8,268	8,494	94,900	94,950	9,030	8,568	8,794
88,950	89,000	8,435	7,973	8,199	91,950	92,000	8,735	8,273	8,499	94,950	95,000	9,035	8,573	8,799
89,000					92,000					95,000				
89,000	89,050	8,440	7,978	8,204	92,000	92,050	8,740	8,278	8,504	95,000	95,050	9,040	8,578	8,804
89,050	89,100	8,445	7,983	8,209	92,050	92,100	8,745	8,283	8,509	95,050	95,100	9,045	8,583	8,809
89,100	89,150	8,450	7,988	8,214	92,100	92,150	8,750	8,288	8,514	95,100	95,150	9,050	8,588	8,814
89,150	89,200	8,455	7,993	8,219	92,150	92,200	8,755	8,293	8,519	95,150	95,200	9,055	8,593	8,819
89,200	89,250	8,460	7,998	8,224	92,200	92,250	8,760	8,298	8,524	95,200	95,250	9,060	8,598	8,824
89,250	89,300	8,465	8,003	8,229	92,250	92,300	8,765	8,303	8,529	95,250	95,300	9,065	8,603	8,829
89,300	89,350	8,470	8,008	8,234	92,300	92,350	8,770	8,308	8,534	95,300	95,350	9,070	8,608	8,834
89,350	89,400	8,475	8,013	8,239	92,350	92,400	8,775	8,313	8,539	95,350	95,400	9,075	8,613	8,839
89,400	89,450	8,480	8,018	8,244	92,400	92,450	8,780	8,318	8,544	95,400	95,450	9,080	8,618	8,844
89,450	89,500	8,485	8,023	8,249	92,450	92,500	8,785	8,323	8,549	95,450	95,500	9,085	8,623	8,849
89,500	89,550	8,490	8,028	8,254	92,500	92,550	8,790	8,328	8,554	95,500	95,550	9,090	8,628	8,854
89,550	89,600	8,495	8,033	8,259	92,550	92,600	8,795	8,333	8,559	95,550	95,600	9,095	8,633	8,859
89,600	89,650	8,500	8,038	8,264	92,600	92,650	8,800	8,338	8,564	95,600	95,650	9,100	8,638	8,864
89,650	89,700	8,505	8,043	8,269	92,650	92,700	8,805	8,343	8,569	95,650	95,700	9,105	8,643	8,869
89,700	89,750	8,510	8,048	8,274	92,700	92,750	8,810	8,348	8,574	95,700	95,750	9,110	8,648	8,874
89,750	89,800	8,515	8,053	8,279	92,750	92,800	8,815	8,353	8,579	95,750	95,800	9,115	8,653	8,879
89,800	89,850	8,520	8,058	8,284	92,800	92,850	8,820	8,358	8,584	95,800	95,850	9,120	8,658	8,884
89,850	89,900	8,525	8,063	8,289	92,850	92,900	8,825	8,363	8,589	95,850	95,900	9,125	8,663	8,889
89,900	89,950	8,530	8,068	8,294	92,900	92,950	8,830	8,368	8,594	95,900	95,950	9,130	8,668	8,894
89,950	90,000	8,535	8,073	8,299	92,950	93,000	8,835	8,373	8,599	95,950	96,000	9,135	8,673	8,899
90,000					93,000					96,000				
90,000	90,050	8,540	8,078	8,304	93,000	93,050	8,840	8,378	8,604	96,000	96,050	9,140	8,678	8,904
90,050	90,100	8,545	8,083	8,309	93,050	93,100	8,845	8,383	8,609	96,050	96,100	9,145	8,683	8,909
90,100	90,150	8,550	8,088	8,314	93,100	93,150	8,850	8,388	8,614	96,100	96,150	9,150	8,688	8,914
90,150	90,200	8,555	8,093	8,319	93,150	93,200	8,855	8,393	8,619	96,150	96,200	9,155	8,693	8,919
90,200	90,250	8,560	8,098	8,324	93,200	93,250	8,860	8,398	8,624	96,200	96,250	9,160	8,698	8,924
90,250	90,300	8,565	8,103	8,329	93,250	93,300	8,865	8,403	8,629	96,250	96,300	9,165	8,703	8,929
90,300	90,350	8,570	8,108	8,334	93,300	93,350	8,870	8,408	8,634	96,300	96,350	9,170	8,708	8,934
90,350	90,400	8,575	8,113	8,339	93,350	93,400	8,875	8,413	8,639	96,350	96,400	9,175	8,713	8,939
90,400	90,450	8,580	8,118	8,344	93,400	93,450	8,880	8,418	8,644	96,400	96,450	9,180	8,718	8,944
90,450	90,500	8,585	8,123	8,349	93,450	93,500	8,885	8,423	8,649	96,450	96,500	9,185	8,723	8,949
90,500	90,550	8,590	8,128	8,354	93,500	93,550	8,890	8,428	8,654	96,500	96,550	9,190	8,728	8,954
90,550	90,600	8,595	8,133	8,359	93,550	93,600	8,895	8,433	8,659	96,550	96,600	9,195	8,733	8,959
90,600	90,650	8,600	8,138	8,364	93,600	93,650	8,900	8,438	8,664	96,600	96,650	9,200	8,738	8,964
90,650	90,700	8,605	8,143	8,369	93,650	93,700	8,905	8,443	8,669	96,650	96,700	9,205	8,743	8,969
90,700	90,750	8,610	8,148	8,374	93,700	93,750	8,910	8,448	8,674	96,700	96,750	9,210	8,748	8,974
90,750	90,800	8,615	8,153	8,379	93,750	93,800	8,915	8,453	8,679	96,750	96,800	9,215	8,753	8,979
90,800	90,850	8,620	8,158	8,384	93,800	93,850	8,920	8,458	8,684	96,800	96,850	9,220	8,758	8,984
90,850	90,900	8,625	8,163	8,389	93,850	93,900	8,925	8,463	8,689	96,850	96,900	9,225	8,763	8,989
90,900	90,950	8,630	8,168	8,394	93,900	93,950	8,930	8,468	8,694	96,900	96,950	9,230	8,768	8,994
90,950	91,000	8,635	8,173	8,399	93,950	94,000	8,935	8,473	8,699	96,950	97,000	9,235	8,773	8,999

*This column must also be used by qualifying widow(er)

Continued on next page

1994 Hawaii Tax Table (Continued)

If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —			If line 37 (taxable income) is —		And you are —		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household	At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a household
Your tax is —					Your tax is —					Your tax is —				
97,000					98,000					99,000				
97,000	97,050	9,240	8,778	9,004	98,000	98,050	9,340	8,878	9,104	99,000	99,050	9,440	8,978	9,204
97,050	97,100	9,245	8,783	9,009	98,050	98,100	9,345	8,883	9,109	99,050	99,100	9,445	8,983	9,209
97,100	97,150	9,250	8,788	9,014	98,100	98,150	9,350	8,888	9,114	99,100	99,150	9,450	8,988	9,214
97,150	97,200	9,255	8,793	9,019	98,150	98,200	9,355	8,893	9,119	99,150	99,200	9,455	8,993	9,219
97,200	97,250	9,260	8,798	9,024	98,200	98,250	9,360	8,898	9,124	99,200	99,250	9,460	8,998	9,224
97,250	97,300	9,265	8,803	9,029	98,250	98,300	9,365	8,903	9,129	99,250	99,300	9,465	9,003	9,229
97,300	97,350	9,270	8,808	9,034	98,300	98,350	9,370	8,908	9,134	99,300	99,350	9,470	9,008	9,234
97,350	97,400	9,275	8,813	9,039	98,350	98,400	9,375	8,913	9,139	99,350	99,400	9,475	9,013	9,239
97,400	97,450	9,280	8,818	9,044	98,400	98,450	9,380	8,918	9,144	99,400	99,450	9,480	9,018	9,244
97,450	97,500	9,285	8,823	9,049	98,450	98,500	9,385	8,923	9,149	99,450	99,500	9,485	9,023	9,249
97,500	97,550	9,290	8,828	9,054	98,500	98,550	9,390	8,928	9,154	99,500	99,550	9,490	9,028	9,254
97,550	97,600	9,295	8,833	9,059	98,550	98,600	9,395	8,933	9,159	99,550	99,600	9,495	9,033	9,259
97,600	97,650	9,300	8,838	9,064	98,600	98,650	9,400	8,938	9,164	99,600	99,650	9,500	9,038	9,264
97,650	97,700	9,305	8,843	9,069	98,650	98,700	9,405	8,943	9,169	99,650	99,700	9,505	9,043	9,269
97,700	97,750	9,310	8,848	9,074	98,700	98,750	9,410	8,948	9,174	99,700	99,750	9,510	9,048	9,274
97,750	97,800	9,315	8,853	9,079	98,750	98,800	9,415	8,953	9,179	99,750	99,800	9,515	9,053	9,279
97,800	97,850	9,320	8,858	9,084	98,800	98,850	9,420	8,958	9,184	99,800	99,850	9,520	9,058	9,284
97,850	97,900	9,325	8,863	9,089	98,850	98,900	9,425	8,963	9,189	99,850	99,900	9,525	9,063	9,289
97,900	97,950	9,330	8,868	9,094	98,900	98,950	9,430	8,968	9,194	99,900	99,950	9,530	9,068	9,294
97,950	98,000	9,335	8,873	9,099	98,950	99,000	9,435	8,973	9,199	99,950	100,000	9,535	9,073	9,299

**100,000 OR OVER —
You MUST use the tax rate schedules.**

*This column must also be used by qualifying widow(er)

1994 Tax Rate Schedules

CAUTION — If your taxable income is less than \$100,000, you **MUST** use the Tax Table.

Schedule I

SINGLE TAXPAYERS AND MARRIED FILING SEPARATE RETURNS

	If the amount on Form N-15, Line 37 is	Your tax is
Use this schedule if you checked Filing Status Box 1 or 3 on Form N-15	Not over \$1,500	2% of taxable income
	Over \$1,500 but not over \$2,500	\$ 30.00 plus 4% over \$1,500
	Over \$2,500 but not over \$3,500	\$ 70.00 plus 6% over \$2,500
	Over \$3,500 but not over \$5,500	\$ 130.00 plus 7.25% over \$3,500
	Over \$5,500 but not over \$10,500	\$ 275.00 plus 8% over \$5,500
	Over \$10,500 but not over \$15,500	\$ 675.00 plus 8.75% over \$10,500
	Over \$15,500 but not over \$20,500	\$ 1,112.50 plus 9.5% over \$15,500
	Over \$20,500	\$ 1,587.50 plus 10% over \$20,500

Schedule II

MARRIED TAXPAYERS FILING JOINT RETURNS AND CERTAIN WIDOWS AND WIDOWERS

	If the amount on Form N-15, Line 37 is	Your tax is
Use this schedule if you checked Filing Status Box 2 or 5 on Form N-15	Not over \$3,000	2% of taxable income
	Over \$3,000 but not over \$5,000	\$ 60.00 plus 4% over \$3,000
	Over \$5,000 but not over \$7,000	\$ 140.00 plus 6% over \$5,000
	Over \$7,000 but not over \$11,000	\$ 260.00 plus 7.25% over \$7,000
	Over \$11,000 but not over \$21,000	\$ 550.00 plus 8% over \$11,000
	Over \$21,000 but not over \$31,000	\$ 1,350.00 plus 8.75% over \$21,000
	Over \$31,000 but not over \$41,000	\$ 2,225.00 plus 9.5% over \$31,000
	Over \$41,000	\$ 3,175.00 plus 10% over \$41,000

Schedule III

UNMARRIED HEADS OF HOUSEHOLD

	If the amount on Form N-15, Line 37 is	Your tax is
Use this schedule if you checked Filing Status Box 4 on Form N-15	Not over \$1,500	2% of taxable income
	Over \$1,500 but not over \$2,500	\$ 30.00 plus 3% over \$1,500
	Over \$2,500 but not over \$3,500	\$ 60.00 plus 4.5% over \$2,500
	Over \$3,500 but not over \$5,500	\$ 105.00 plus 5.9% over \$3,500
	Over \$5,500 but not over \$11,000	\$ 223.00 plus 7.25% over \$5,500
	Over \$11,000 but not over \$21,000	\$ 621.75 plus 8.6% over \$11,000
	Over \$21,000 but not over \$41,000	\$ 1,481.75 plus 9.6% over \$21,000
	Over \$41,000	\$ 3,401.75 plus 10% over \$41,000

Index to Instructions

Address change	Exemptions	Supplemental Income
Adjustments to income	How to pay	Tax computation
Amended return	How to sign	Tax credits
Annuities, Pensions and Profit-Sharing	Income	Tax rate schedules
At-Risk Rules	Interest and Dividend income	Tax Table
Attachments	Multistate Tax Compact Act	When to file
Business Income	Nonresident defined	Where to file
Capital Gains and Losses	Passive Activity Loss Rules	Where to pay
Claim of credit/refund for overpayment	Penalties and Interest	Where to get forms
Composite tax returns and payments	Refund or Balance Due	Who must file
Deductions, itemized	Sale or Exchange of property or main home	Who to contact for more information